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International Relations and International Law[1]

By A. Pearce Higgins, C.B.E., LL.D.

(*Whewell Professor of International Law in the University of Cambridge and Professor of International Law in the University of London; Associé de l'Institut de Droit International.*)

The present position.

It is always difficult for men and women of any generation to understand fully the events which are taking place in their own times, and in their own country; it is still more difficult for them to correlate them with those that are happening in foreign countries, for close interrelation between home and foreign affairs is often not fully appreciated till after the events have happened.

During the past few years we have been, and to-day we still are, living in a period which marks one of the crises of the world's history, politically and economically considered. In the history of the development of those rules which govern the intercourse of states, we are at a point when a new era may be opened. It is no language of exaggeration that I use when I say that, in my opinion, the whole future of civilization depends on the course of the world's history during the next few years. To all of us the present is a time of tremendous importance and of grave responsibility.

Nearly three years have elapsed since the armistices were signed between the parties to the great war which for more than four years devastated the world. But peace does not yet reign in the world. Everywhere, in international as well as in domestic affairs, there is, if not actual fighting, dispeace and unrest.

It is easy to provide an answer to the question of what caused the stupendous changes which have taken place since 1914, changes which render the maps of that year useless so far as the political configuration of the old world is concerned; it was Austria's declaration of war against Serbia and Germany's unprovoked attack on Belgium and France in August of that year. But this would not be a wholly satisfactory reply to one who was seeking to probe more deeply into the matter, and who asked what were the *causes* of Austria's ultimatum to Serbia, and of the action of Germany. I do not propose to-day to attempt to answer those questions. If we sought to ascertain not the immediate, but the fundamental causes of this great upheaval we should enter on a study of the

[1] A lecture delivered at the London School of Economics and Political Science on the 12th October, 1921.

diplomatic history of Europe for more than half a century. Such a study would, however, demonstrate the closeness of the connection between the internal and the external policies of the states of the world.

Political and economic interdependence of states.

In the past, the people of this country knew little, and probably cared less about the foreign policy of the Government than about any other department of state life. It is time that a change took place in this matter. We are having the fact of our economic interdependence painfully brought home to us all to-day, and this should quicken our interests in the wider range of political relations, for the two are more closely allied than may appear on the surface. It is, I believe, the duty of those who are engaged in educational work to emphasize this interdependence of the states of the world, and, in particular, to endeavour to awaken in the minds of students a living and active belief in the certainty that the well-being of our state cannot be considered apart from that of others. If we fail to realize this, our ignorance will be a constant source of danger not only to ourselves but to the world. Many of our domestic troubles, such, for instance, as that which is most insistent to-day, unemployment, must be envisaged from an international point of view in order that they may be fully understood. When the fact of this interdependence is grasped, we shall see that it involves the fundamental doctrine of the Christian ethic, that no state and no man liveth to itself or to himself ; that not only in the Christian body but in the whole Family of Nations we are members one of another. Each is necessary to the other, and there is a real solidarity of interests. We are our brother's keeper. International relations are in truth and in fact the concern of every citizen of this great Commonwealth of Nations, called the British Empire, and it behoves all of us to take a lively interest in them, for on them our very existence depends.

The use of force in foreign relations.

Some years ago I read somewhere that the foreign policy of a state consisted in the normal everyday application of armaments in international affairs, just as war is the abnormal and exceptional application of them ; that diplomacy is the paper money which saves the inconvenient use of gold in large transactions, the armaments being the gold reserve on whose existence the value of the paper depends. Diplomacy of that type, conducted without armed strength behind it, was compared to inconvertible paper money, always at a discount and entirely valueless at a crisis. This definition is based on the doctrine of Clausewitz, a well-known German writer on strategy, and it describes the foreign policy of some states in the past, in which the gold reserve was very frequently disclosed. " Shining armour," " mailed fists," " swords rattling in their scabbards," are the language of this policy which results in " Chauvinism," or

" Jingoism." It is sometimes called " Realpolitik," and it has just this much only to be said in its favour, that it emphasizes the principle that when a state has adopted a definite line of policy it should count the cost, and be prepared to maintain the needful means of carrying it into effect. It has a truth underlying its grotesque and hideous appearance, and members of the League of Nations cannot afford to ignore the element of truth which it contains. Article X of the Covenant of the League under which the members undertake to preserve as against external aggression the territorial integrity and existing political independence of all the members of the League reminds us that there must be the gold reserve behind the memoranda and despatches of the League ; the cases of Armenia and Vilna emphasize an aspect of this definition.

Ideals for international relations.

All heresies live by reason of the germ of truth which they contain, and the view of foreign policy I have been discussing, though untenable as a guide for ordinary use, since it represents a policy of pure force and militarism, has enough of truth in it to be at the same time useful and dangerous. As an ideal for the conduct of international relations it is to be rejected. We must have ideals for these as for other aims in life, and we do not waste our time on discussing them ; but we cannot forget that we are not living in an ideal world, neither shall we ever be until the men and women who compose the states of the world themselves live ideally. In considering the principles which should guide statesmen in the conduct of international relations, we shall do well to remember the wise words of Francis Bacon and thus avoid the danger he indicates in that " philosophers make imaginary laws for imaginary commonwealths, and their discourses are as the stars, which give little light because they are so high."[1] Let us follow the advice which he gives and turn to statesmen and diplomatists who have to deal with the hard concrete facts of state life, where they are faced with the conflicting desires and ambitions of the representatives of other states. A speaker at the meeting of the Assembly of the League of Nations, last month, in reply to the complaint that the progress of the League was slow, said that it was easy enough to go fast as long as abstractions only were being dealt with, but that when concrete cases came for consideration, the rate of progress was necessarily slow. It is well that we should be reminded of this truth.

The Holy Alliance.

I now ask your consideration of some solemn declarations made at different times at meetings of representatives of the Powers, on the subject of the principles of international intercourse. It would be difficult to frame a more exalted statement of the basis of international relations than that laid down in the pact of the Holy

[1] *Advancement of Learning*, xxiii, 47.

Alliance of September 26th, 1815, between the Emperors of Russia and Austria, and the King of Prussia. which was subsequently adhered to by nearly all the monarchs of Europe, except the King of England. After stating their intention of settling the steps to be taken by the Powers in their reciprocal relations upon the sublime truths of the Christian religion, they solemnly declared " the present article has no other object than to publish in the face of the whole world their fixed resolution, both in the administration of their respective states and in their political relations with every other Government, to take for their sole guide the precepts of that holy religion, namely, the precepts of Christian charity and peace, which, far from being applicable only to private concerns, must have an immediate influence upon the counsels of princes, and guide their steps, as being the only means of consolidating human institutions and remedying their imperfections." Three years later, at the Congress of Aix-la-Chapelle, 1818, the Great Powers signed a declaration in which they solemnly recognized the Law of Nations as the basis of all international relations, and pledged themselves to act in accordance with its rules.

The Hague Peace Conferences.

We know that the practice of the Holy Alliance fell very short of its ideals, and that the policy of supporting existing Governments led to frequent interventions in the internal affairs of states, but we must not fail to note this high standard of international conduct set forth under the inspiration of the Tsar, Alexander the First. This declaration was a personal expression of the views of monarchs who failed to live up to their ideals; let us therefore turn to more modern and more democratic times. Representatives of the Powers met at the Hague Peace Conferences in 1899 and 1907, and approved a Convention for the pacific settlement of international disputes, in the preamble to which we read: " The High Contracting Powers [16 in 1899, 44 in 1907, of which 21 were Republics] animated by the sincere desire to work for the maintenance of the general peace; Resolved to promote by their best efforts the friendly settlement of international disputes; Recognizing the solidarity uniting the members of the Society of civilized nations; Desirous of extending the empire of law and of strengthening the appreciation of international justice . . . Sharing the opinion of the august initiator of the international Peace Conferences [in each case a Tsar] that it is expedient to record in an international agreement the principle of equity and right on which are based the security of states and the welfare of peoples," resolved on the Convention in question.

The League of Nations.

Turn now to the latest pronouncement on the subject of the basis of international relations contained in the Preamble to the Covenant of the League of Nations which forms part of all the Treaties of Peace signed in 1919.

"The High Contracting Parties" [in the Treaty of Versailles there were 28 Powers, not counting the British Dominions and India separately, 19 being Republics, and now more than 50 States are parties to the Covenant] "in order to promote international co-operation and to achieve international peace and security,

by the acceptance of obligations not to resort to war,

by the prescription of open, just and honourable relations between nations,

by the firm establishment of the undertakings of international law as the actual rule of conduct among Governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another,"

agreed on the Covenant.

"Christian charity and peace"; "equity and right, on which are based the security and welfare of peoples"; "open, just and honourable relations and scrupulous respect for treaties"—these are the principles which, at different times during the last hundred years, statesmen and diplomatists have laid down as those which should be their guides in international relations. The Act of the Holy Alliance cannot be summarily dismissed in Castlereagh's words, as a "piece of sublime mysticism and nonsense." It was the result of a scheme which had been in the mind of the Tsar for at least ten years. In 1804 he had written in his instructions to Novosiltsov: "It is no question of realizing the dream of perpetual peace, but one could attain at least to some of its results if, at the conclusion of the general war, one could establish on clear precise principles the prescriptions of the rights of nations. . . . On principles such as these one could proceed to a general pacification, and give birth to a league of which the stipulations would form, so to speak, a new code of the law of nations which, sanctioned by the greater part of the nations of Europe, would without difficulty become the immutable rule of the cabinets, while those who should try to infringe it would risk bringing upon themselves the forces of the new union."[1]

The similarity of this view with that of the founders of the League of Nations is striking. It was a larger conception than any at the two Hague Conferences. It lacked, however, as Professor Alison Phillips points out, a central legislative authority, a central executive and a common armament to enforce its decrees; these are to some extent only being provided for by the League of Nations, but its organization is not yet complete.

Failure of realization of ideals in the past.

I have not cited the extracts from the Act of the Holy Alliance and from the preamble to the Hague Conventions in any spirit of cynicism or irony, neither do I wish you to draw the conclusion that

[1] W. Alison Phillips, *The Confederation of Europe*, p. 144.

because, in the past, the acts of statesmen have fallen below the standards to which they have collectively assented in the name of their respective states, their successors will, in the future, do as has been done in the past. They may ; that is a possibility which must not be overlooked ; it is a warning which must not pass unheeded. But if they do, the results will be productive of far greater disasters than any in the past ; they will imperil civilization itself.

Dangers for the future.

The efforts of statesmen, diplomatists and jurists in the past have failed, as we have seen, to prevent the outbreak of war from time to time, and worse than that, the events of the late war showed that rules for its conduct were ineffective and grossly violated. Notwithstanding the noble ideals of Monarchs and diplomatists expressed in international declarations, after all the great wars of the past the old vices have reappeared, the old bad methods have reasserted themselves. After a great war which has produced intense suffering, the common conscience of the nations of the world has been quickened. Men look back with horror, as to some dreadful nightmare through which they have passed, in which they have seen the fundamental laws of humanity and the most elementary principles of morality violated, and rules of international law cast to the winds. They awake to a renewed sense of the community of the interests of mankind, and an increasing acknowledgment of the principle that purely national interests must be subordinated under a regular system of law to the well-being of all nations. I remind some of you, and to others I bring them before you for the first time, of the words of one of the most distinguished English jurists, the late Mr. W. E. Hall, who, in the Preface to the third edition of his classical work on International Law, published in 1889, said : " There can be very little doubt that if the next war is unscrupulously waged, it also will be followed by increased stringency of the law," and he adds : " In a community, as in an individual, passionate excess is followed by a reaction of lassitude, and to some extent of conscience."

The late war was unscrupulously waged, and excesses in all departments were committed. The international conscience was aroused as it had never been aroused before. Nations reached the high-water mark of action under the influence of an exalted ideal of duty. For ourselves, we need only recall the solemn moments of the early days of August, 1914, and it is well that we should sometimes endeavour to do this. And then, when fighting ceased, there was heard on all sides the resolve that what had happened, both before and during its course, must never be allowed to take place again. But reaction soon set in. The long delays of Paris, the slow return to a state of peace, the internal troubles, economic and others, caused the mass of our own people to become again self-centred. War-weariness, the lassitude of which Mr. Hall spoke, fell on nearly

all, producing as a natural consequence a disinclination for thought, and irritability at the suggestion of action. There are, I believe, signs that this state is passing, but it is still a danger, and to combat it every effort must be made to arouse interest in this vital topic of the inter-relations of the state of the world, to restore the well-being of the body politic, and to recall our past sufferings as a warning for the future. It has to be made clear that for some, at any rate, of the evils of the past, and of the present, the nation as a whole is to blame by their refusal to interest themselves in matters reaching beyond their immediate proximity, and to realize that men are masters of their fate.

An opportunity for democracy.

The states of the world have, with scarcely any exception, adopted some form of democratic government. Democracy, therefore, has now a great opportunity of showing that it can avoid the errors of the past, and of proving that under its régime, the system instituted by the Covenant of the League of Nations, which is based on the recognition of the mutual rights and interests of all the states of the world, will not share the fate of the old and less complete attempts to establish a world organization. But no Covenant, no written declaration of the Rights of Man, no formal change of government, will suffice. The clash of conflicting interests between states governed on democratic principles is not necessarily less serious than between those under less popular forms of government. Economic pressure, the growth of population, the desire for territorial expansion, the trade competition in the markets of the world, the attraction of uncivilized or backward countries, the difficulties attending on emigration and immigration, not to speak of other and more subtle, but not less powerful forces, such as greed, ambition and jealousy, which in the past have been fruitful sources of international disputes, will still have to be reckoned with in international relations. Neither do I think that it has yet been clearly demonstrated that democracies are, by their nature, less quarrelsome or less prone to desire accession of territory at the expense of their neighbours than other forms of government. Uncontrolled selfish passions may sweep a democratic state into war, as well as a great inspiration and sudden revelation of duty. The student of international affairs cannot ignore these facts. Only the future will reveal whether the modern democracies will conduct their international relations on the basis of and in accordance with the ideals which their representatives have proclaimed, and whether they will show a willingness, even a desire, to submit such of their differences as they cannot settle by negotiation to the decision of an impartial international tribunal. If conflicting group interests in our own and in other countries refuse to arbitrate their differences, stubbornly resist mediation and resort only to the arbitrament of industrial war, the outlook for the future of international relations is not bright.

If, on the other hand, they are prepared to submit their differences to impartially constituted tribunals, and honourably to carry out their awards, there will be sound reason for hoping that the future will avoid the failures of the past. States, like individuals, can only progress to liberty under the existence of a rule of law.

The international spirit.

There is, however, an international morality which exists alongside international law, just as municipal law and morality are seldom absolutely identical. This has been brought out in lines which may be familiar to all :

> Thou shalt not kill, but needst not strive
> Officiously to keep alive.

But in international relations there is less of the letter of the law than in the civil law of a state, where a conflict may well arise between the spirit and the letter. As Westlake has well said : " There is little of the letter, little of express convention of authoritative formula, to enter into the problem of determining the duty of a state towards its neighbours. If anyone says that the technical duty of a state is to take or to abstain from taking a certain course, but that in the given circumstances it may justifiably act otherwise, we may be pretty sure that he had no sufficient reason for laying down the technical duty in the terms which he has chosen."[1] This is not to say that there are not rules of International Law to which I shall shortly refer, which must be construed in a legal manner, but it brings me to the point that if the spirit underlying international intercourse is one of mutual goodwill, co-operation and confidence, there is good ground for hoping for success. But this is by no means all that is necessary for a new orientation on international affairs : we need to study the trend of political and economic movements in other countries and to endeavour to understand the mentality and objectives of their people. If I were addressing a similar audience in a foreign University I should say the same to them, for this is essentially a matter of international education, and all Universities can do much to forward the growth of a true international spirit. By that I do not mean that in all cases where your own state has a difference with another state you should at once conclude that the other state is in the right, and proceed to belittle the actions of your own statesmen because they are not of your political party. No ; by the international spirit I mean that " we must do our best to lift political discussion, both national and international, up out of the mire of personality and unseemly controversies between individuals and private interests on to the high ground of principle."[2] Principles in international relations are greatly needed to-day.

[1] *Collected Papers*, p. xx.
[2] N. Murray Butler, *The International Mind*, p. 112.

Need for education in international relations.

Furthermore, there must be a spread of knowledge amongst all classes. We need to have the facts and the real position of affairs made plain. These may sometimes be grim and unpleasant to face, but it will generally be best to have them. Lord Robert Cecil has recently been urging on the League of Nations the need for publicity of its doings ; this is essential for its existence. The League has done good work, which ought to be made widely known in order that the hands of those who are responsible for its decisions may be strengthened. For instance, the Assembly of the League has just succeeded in a matter in which the Second Hague Conference failed, and has established a Permanent Court of International Justice.

I have said that this is a matter of education, and there is need to begin in the schools, and to encourage the upper classes to study the history of their own time, and of that immediately preceding. Few subjects are more interesting than the history of the modern world since 1815. If modern history is taught at all in schools to-day, it too often stops at 1815, or even with the death of Queen Anne. Too often also, in teaching English History, our insular position is emphasized, and its connection with that of other states ignored.

British Institute of International Affairs.

An important step in the dissemination of the knowledge of international relations was taken last year in London, when the Institute of International Affairs was established under the patronage of Lord Grey of Falloden, Mr. Balfour, Lord Robert Cecil, and Mr. Clynes. Through this medium it is hoped that all who have an interest in, and can bring some expert knowledge to bear on, international affairs, may meet and study literature and maps and hold personal communication on these matters. The first tangible results have been the publication of a valuable record of the History of the Peace Conference at Paris, Sir Maurice Hankey's Address on " Diplomacy by Conference," and Professor Pollard's Address on " The Dominions and Foreign Affairs."

The Press.

Much can be done by the Press in this and in all countries to disseminate a real knowledge of international affairs. We are fortunate in having a Press, not only in London but in many of our great cities in which the foreign news is a feature, and in which foreign affairs are discussed in such a way that ignorance on the part of those who buy these papers can only be attributed to apathy or lack of training.

An instructed electorate and a body of Members of Parliament, who make a careful study of foreign affairs, are of great value to

the state: they can assist the Government of the day in its most difficult task, that of formulating its foreign policy, and indicating the principles which are to guide it. It is, however, through the Department of the Secretary of State for Foreign Affairs that the policy of the Cabinet is carried into execution.

Criticism of the public services.

All the public services of the state need to be constantly and wisely watched. In the past the two departments which have come most under public criticism have been the War Office and the Admiralty, and in this the public have shown a sound instinct. They felt that the departments entrusted with the defence of the state must not be allowed to become antiquated in method or hidebound by tradition. But the public criticism should have begun a stage higher. The Navy and Army are the nation's weapons of defence, and they are only called into use as a rule when the Foreign Office and the diplomatists have failed to maintain a state of peace. It is even more important that the department which conducts the business of the state on which peace and war depend should be the subject of a vigilant and intelligent criticism. Failures in diplomacy in the past have too often been the result of the public ignorance and neglect. They have approved a policy without counting the cost. I am not advocating the intermeddling of the public in the conduct of diplomacy—far from it. When a policy has been settled, its actual working out must be left to the duly accredited agents, who have been trained in the most delicate of all tasks, that of international negotiation. "Secret diplomacy," as I understand this expression, means secret policies and secret treaties which, in time of peace, are the antitheses of popular government. But the conduct of business negotiations must generally be secret; little progress would be made if at every stage in the transaction public reports had to be made. Open diplomacy of that kind would mean not fewer, but more wars. The ignorance and negligence I refer to are in relation to the formulation of the foreign policy of the state, not as regards the conduct of diplomacy. It is in the early stages that the fullest information should be given to the public. The pursuit of a given line of foreign policy may involve the expenditure of vast sums of money, and, in some cases, great effusion of blood. If those on whom the burdens will ultimately fall do not take the trouble to make themselves acquainted with the policy proposed in all its bearings, and do not insist on being furnished with the necessary information on which to base the judgment, they are neglecting to fulfil their duty as citizens.

The danger of catchwords.

But even with full information it is by no means easy to appreciate all the difficulties which arise in international relation-

ships, and democracies have always been liable to be swayed by a plausible phrase or an attractive catchword. We have recently heard much about " making the world safe for democracy," of " the freedom of the seas," and of the right of " self-determination " by peoples. Those to whom these phrases are addressed have the right to require from those who use them the fullest explanation, and are under the duty to endeavour to ascertain whither they are being led under banners bearing these vague inscriptions. Are we not now learning that " self-determination " is not always a safe guide in the settlement of territorial frontiers, and that economic aspirations and inordinate claims of nationalism are not always capable of being reconciled ?

The Washington Conference.

A great opportunity is about to be offered to the Great Powers of the world to formulate a policy which shall make for the solid improvement in international relations on the basis of mutual confidence. The United States have summoned a Conference at Washington to discuss the possibility of removing or of lightening the stupendous burdens of national armaments which are severely handicapping the recovery of the world after the devastation caused by the years of war. We must endeavour to envisage the greatness and the difficulties of the problems which will face those who assemble at the Council. Disarmament does not stand alone. There must be agreement on the policies which will enable even a partial disarmament to be carried out. There are the problems of the Pacific, of China, of a " White Australia," and of the immigration of Asiatics to the North American Continent ; it is useless to shut our eyes to these difficult questions. The Conference can only go forward with hopes of success if its members feel that they have behind them the intelligent and sympathetic support of those whom they represent, and if they are assured of their determination to establish a real partnership for the promotion of the common well-being. May the Spirit of Wisdom permeate the Conference and give its members " a right judgment in all things "!

International law in relation to international affairs.

And now I must turn to another aspect of international relations and speak of the Law applicable to them. Differences arise between states due sometimes to political matters, at other times involving points of law. We cannot ignore these in our treatment of international affairs.

It has been well said that "the amount of regulation which a society requires will be in proportion to the closeness of contact between its members and the complication of their mutual dealings."[1] International Law has come into being to govern the

[1] J. Westlake, *Collected Papers*, p. 50.

business relations of states who form the international society; it consists of the rules of action which states feel themselves bound to observe in their relations with other states, and of which they expect the observance from other states. Many of these rules can be traced to that part of the Roman Law which was deemed to be common to all nations, the *jus naturale*, or *jus gentium*; many have gradually been evolved by the practice of states. Modern international lawyers base them either on custom, that is the general acceptance of the rules, or on convention, i.e., on treaties or contracts between states. Nearly all relations which arise between states sooner or later involve the application of some rule or rules of International Law. And when disputes arise between states, both sides rely on these rules to support their claims. If a knowledge of the facts of state intercourse is necessary, how much more is a knowledge of the rules of the law which apply to state transactions? International disputes are, of course, frequently of a complex character, and the law applicable will only emerge when the facts are fully ascertained. Take such a case as the dispute between Great Britain and the United States over the Panama Canal in 1912, where the conflict turned on the interpretation of the terms of a Treaty between the two states. To understand it, it was necessary to ascertain certain historical facts, and to appreciate their bearing on the words of the article of the treaty.[1]

Advantages of knowledge of International Law.

A knowledge of the rules of International Law has a steadying influence on public opinion when an international dispute arises. In such cases an instructed public will keep calm, and thus render the greatest assistance to those who are conducting the arguments, which they will be able to follow intelligently. Can we say that there is in this country an instructed public, or even that Members of Parliament have a real working knowledge of International Law? I listened in 1911 for several nights to the debate in the House of Commons on the subject of the Declaration of London, a matter bristling with difficult points of International Law. On both sides it appeared to me that some of the speakers showed a lamentable ignorance of the principles of a vital branch of the Law of Nations. So, too, in many of the letters on this subject that appeared in the public press, and in many of the discussions which took place at the time, there were many rash assertions and expressions of deceptive half-truths masquerading under the guise of International Law. This is only one of many examples that might be adduced showing the need for education on this important matter. We might go back to an earlier case where a question of International Law was involved, which for the time being produced the greatest tension between ourselves and the United

[1] See L. Oppenheim, *The Panama Canal Conflict* (1913).

States, and cite the case of *The Trent* in 1861, but it is unnecessary to accumulate examples. From time to time international incidents are bound to arise, involving questions of International Law, and it is of the greatest importance that there should be a widely extended knowledge of its principles so that the rights and wrongs of a case may be properly apprehended by the nation as a whole.

Position of study of International Law in England.

The present position of the study of International Law in this country is far from being satisfactory.[1] A knowledge of it is not even required, as in my opinion it should be, from all candidates for appointment in the Diplomatic Service and the Foreign Office. A step in the right direction has now been taken in including it amongst the subjects which candidates may offer in the open competition for the Civil Service examination. In only one University, Cambridge, so far as I can ascertain, is a knowledge of this subject required of candidates for a degree in law; in others it is optional. There is a lack of teaching posts, Chairs and Readerships, in Great Britain and the Empire generally. In England only Oxford has a fully endowed Chair, though Cambridge offers great inducement to the study by the provision through the liberality of the late Dr. Whewell of valuable scholarships. In London the materials for the study have been provided through the benefaction of the family of the late Lord Justice Fry, who, with the object of encouraging the study of International Law, and of establishing a memorial to this distinguished lawyer, have handed over to trustees a considerable sum of money to create a Library devoted to the subject. The London School of Economics is most fortunate in having been selected as the place where this library is now deposited. It is now available for the use of any student of the subject, whether a member of the School or not.

The Dominions are already leading the way in founding Chairs in International Law. Calcutta and Sydney have established Chairs recently. The Dominions have received special recognition by admission to the League of Nations, they each have their own particular problems of international relations to solve, and they evidently feel that it is of great importance that their Universities should include among their professors International Lawyers who can not only direct and teach students but stimulate general interest in international affairs. Why does the Mother country lag behind in this matter? Does the state offer any inducements to students to devote themselves to the study by providing opportunities for those who have become experts in the subject to apply their knowledge in advising Government Departments, taking part in international arbitrations and con-

[1] See *International Law Teaching*, by E. A. Whittuck, Vol. III of *Grotius Society Annual*, p. 43.

ferences where questions of International Law are to be discussed? Other states, whose international commitments are as nothing in comparison with ours, do this, and by providing teaching posts and other opportunities of service encourage the study of International Law.

I wish to draw attention to a step which was taken last year to place International Law more fully before the British public by the establishment of *The British Year Book of International Law*. Many of us had long felt the need of a publication to express the opinions current in this Empire on this subject. We have international relations on a more extensive scale than any other Power, but we had no special organ through which opinions on their legal aspects could be expressed. The second volume is in course of publication, but the continuance of the work depends entirely on public support.

The International Court of Justice.

I have been led to speak of International Law in relation to international relations because of their intimate connection. We have, in our internal affairs, become a law-abiding people ; we no longer trust every man in the strength of his own right arm to redress injuries. We have long lived under the reign of law administered by judges whose judgments are universally respected and obeyed. Internationally the ideal is that there should be a Court administering the Law of Nations, and before which any state, believing itself to be aggrieved, should be able to summon the wrong-doer. This does not yet exist in the world, but, as I have already stated, there has come into being a Permanent Court of International Justice where right is to be done to all nations who bring their disputes before it on the basis of International Law. The establishment of the Court is a sign of progress on sound lines of legal principles. But there is, I think, some misapprehension as to this Court. It has not introduced compulsion into the sphere of international litigation, though members of the League of Nations on signing or ratifying the Statute may declare that they recognize as compulsory *ipso facto* in relation to any other members accepting the same obligation, the jurisdiction of the Court in all or any of certain classes of legal disputes. This is a step in the direction of the compulsory settlement by judicial decision of international disputes, but apart from this declaration one state cannot compel another with which it has a difference to bring it before the Court. The body of Jurists who prepared the draft statute desired to make it compulsory, but the Assembly of the League of Nations has decided otherwise. The world is not yet ready for this. The new Court is, however, an advance on the Hague Tribunal, which is left in existence alongside of the new Court. It is permanent and in session, at stated times, and there is no special procedure necessary

for the parties to bring it into operation. Its establishment is another reason for there being a supply of duly qualified international lawyers, and for the existence of a public capable of appreciating the decisions of the Court. Clearly the establishment of this Court is only a stage in the development of International Law, but it marks a forward movement in the acceptance by states of a rule of law as the last resort in their disputes, instead of the recourse to threats of violence and self-redress by war.

No Court of Law, no League of Nations, can ensure the final abolition of war between states. Progress towards a condition of international relations which can be accepted as worthy of reasoning and reasonable beings lies in the gradual evolution of a law-abiding instinct, in a growth of respect for the Law of Nations, and in the elevation of the moral standards of men.

Human nature cannot be changed?

The pessimist (and who of us is not inclined at times to take a hopeless view of the future of the world?) says of the Court and League of Nations: "You cannot change human nature; what has been, will be. This is only another futile attempt of men to administer to themselves an anodyne which will enable them to forget their troubles. Here is another quack medicine, but the old evils will again reassert themselves when states have had time to recuperate after their recent excesses." But is this true? Does it not fundamentally deny the possibility of improvement in every department of human life by identifying human nature with its lower parts, and excluding those which are essentially the attributes of a divinely created man? To Grotius, writing at a time when one might have been excused for taking a low view of mankind, human nature was the Mother of Right. But Grotius took human nature as a whole, with its impulses of kindness, pity and sociability, as well as its desires of individual pleasure and fear of pain.[1] He thus founded Law and Morality upon the whole compass of man's nature, human and social as well as his animal and individual nature, and we can do no less. Progress lies along the line of the development of the human and social side of our nature, carrying with it a sense of personal responsibility for social wrongs done in the name of the society of which we are members, and a determination to maintain in international intercourse as high a standard of morality as obtains among men in their private relations.

Personal responsibility.

We must not be led astray by the contrast too sharply drawn between the state and the human beings who compose it. Rousseau, for example, treated states and men as things of a different nature between which no true relation could be fixed, and conse-

[1] Whewell's *Grotius*, pp. vii, xxvii.

quently he affirmed that " a state can only have for enemies other states, and not men." [1] For each of us to-day the dictum " *L'Etat c'est moi* " should have an individual application. This principle of individual responsibility has been so well expressed by the late Professor Westlake that I cannot do better than quote his own words. He points out that to lay the emphasis on the abstract state and to ignore the action of those within it, who help to guide it either in a public capacity or by the expression of opinion, " allows us to forget that not only is the action of our state that of ourselves, but that those towards whom it is taken are also men like ourselves, though they may be veiled from our eyes by the interposition of another artificial entity. I do not say this " (he says) " in the interest only of those improvements in International Law, which the future may have in store, although the condition of their being worked out is that we shall think more of what is human in the matter and less of what is technical. Nor do I wish only to hold up to your eyes the physical and moral suffering caused by war to individuals, though these are important enough. I deprecate the ignoring of personal responsibility quite as much with a view to the effect which the conduct of a great state may have on the destinies of other populations, especially of those which, as possessing less power or a lower civilization, are exposed to be most seriously affected by our action or by our abstinence from action, while least able to help themselves. There can neither be sound International Law nor sound international politics, nor sound treatment of inferior races, without a sense of duty ; and a sense of duty will not be roused towards abstractions, nor by looking at abstractions." [2]

Personal responsibility means constant watchfulness, and the price of peace is unceasing vigilance in the field of foreign relations.

[1] *Contrat Social*, Bk. I, cap. 4. [2] *Collected Papers*, p. 411.

The Law relating to "Received for Shipment" Bills of Lading.

By H. C. Gutteridge,
Sir Ernest Cassel Professor of Commercial and Industrial Law in the University of London.

If any proof be needed of the well-known fact that the practice of business is sometimes in advance of the theory of the law, this may be found in the difficult position in which the Courts have recently been placed when called on to determine the legal effect of the so-called " Received for Shipment " Bills of Lading. These documents came into existence many years ago, and are now widely used in our overseas trade ; but their legal status is by no means clear. At the present time they form the subject of acute controversy in commercial circles, which coincides with a serious divergence of judicial opinion as to their legal effect, with the result that the position occupied by this form of Bill of Lading amongst the operative instruments of commerce has been very much shaken.

The difficulty arises in this way. The law relating to Bills of Lading has been built up round the common or standard form which definitely states that the goods represented by the bill of lading have been " shipped," i.e., that they have been loaded on a named vessel for an ocean transit. The Bills of Lading Act, 1855, contemplates this form and no other. The " Received for Shipment " bill of lading, on the other hand, merely recites that the goods have been delivered to some person, not necessarily a shipowner, for shipment at some future date, either on board a named vessel, or some vessel or vessels to be selected as opportunity occurs. This distinction is one which has far-reaching consequences from the point of view both of the man of business and the lawyer.

The precise date at which " Received for Shipment " bills of lading first came into existence can only be surmised, but it seemed clear that they have been in use for something like half a century. The preamble to the Bills of Lading Act, 1855, seems to negative any likelihood of their being recognized at that date, though even there we find it stated that a practice was growing up of issuing " Shipped " bills of lading before the goods had been placed on board ship. Mr. Carver, Q.C., writing in 1890, stated that bills of lading in the " Received for Shipment " form had been acknowledged for many years,[1] and they would therefore seem to have come into use at a period somewhere between these dates. Their origin was no doubt due to a variety of causes. In the days of sailing ships, it was pos-

[1] *Law Quarterly Review*, Vol. VI, p. 289.

sible to dispatch bills of lading for the cargo by the same ship as that on which it was loaded. The introduction of steam shortened the stay of ships in the port of loading, and it became very difficult to prepare the bills of lading for a cargo consisting of a large number of consignments, in time for dispatch so as to arrive simultaneously with or before the goods. This was a serious impediment to business, as the ship would arrive at its destination and there would be no one who could tender a bill of lading, and so obtain possession of the goods. The shipowner would be forced to land and warehouse the goods till such time as the bill of lading arrived, and in the meantime the consignee would be exasperated by the fact that the goods were there, but he was quite unable to deal with them. Another cause may have been the congestion at ports of loading due to the facilities for transport from the interior, outstripping the available facilities for ocean transport. Cargo would reach the coast in excess of the shipping space then in port, and would be held up. Meanwhile the exporter would be anxious to have a document of title either to transmit to the buyer, or to hypothecate with a bank for the purpose of securing advances. To issue a "Shipped" bill of lading under these conditions would, of course, be highly improper, and it was, no doubt, in order to meet the situation thus created that the "Received for Shipment" bill of lading was first devised. It must also be remembered that in the United States the term "bill of lading" was used in a very elastic sense. It was not confined to documents relating to an ocean transit, but included contracts for the carriage of goods by land. All the different causes probably contributed to render it necessary for some alteration to be made in the form of "bill of lading" in certain cases.

It is somewhat remarkable that until quite recently the use of "Received for Shipment" bills of lading did not give rise to any controversy. Possibly, all the parties concerned were anxious to avoid any discussion of their business or legal effect, but the fact remains that they did not give rise to litigation. Mr. Bateson, writing in 1889,[1] seems to have been the first to call attention to the anomalous position arising from their use, and a year later Mr. Carver drove the point home.[2] But we find in spite of this, that the Courts allowed these documents to be sued on as though they were bills of lading in the full sense within the Act of 1855.[3] It was not till 1920 that the validity of a "Received for Shipment" bill of lading was challenged in the *Marlborough Hill*, a case heard on appeal from Australia by the Privy Council, which will be discussed hereafter. The explanation of this change of attitude is to be found in the altered trade conditions consequent upon the war. The scarcity of shipping, and the general dislocation

[1] *Law Quarterly Review*, Vol. V, p. 424. [2] *Ibid.*, Vol. VI, p. 289.
[3] See the cases cited by Mr. MacKinnon, K.C., in the *Marlborough Hill* (1921), 1 A.C. at page 446.

of land transit resulting from prolonged hostilities, led to the issue of " Received for Shipment " bills of lading, when there was no reasonable prospect of shipping the goods at any particular time or by any particular vessel. Goods lay for months in warehouses or on quays until their identity was lost, and the unfortunate holder of the bill of lading, instead of getting his goods, found himself only in possession of a claim against his seller probably involving litigation in some foreign court of law. The banks not unnaturally began to refuse to accept " Received for Shipment " bills of lading as security for advances. This had a very deplorable result, as shipowners in some cases allowed themselves to be persuaded by shippers of goods into issuing " Shipped " bills of lading when there was no immediate prospect of loading the goods on board ship. It is believed that this practice, which chiefly prevailed in the Eastern and Australian trades was very soon discontinued. It had come into existence at an earlier date in the cotton trade, but the importers in that instance protected themselves by combining and black-listing shipowners who were parties to it, and by securing an agreement with the principal lines engaged in the transport of cotton, which regulated the use of the so-called " Liverpool Custody Bills of Lading," by providing for an undertaking by the shipowner to load the cotton within 21 days, at most, after sailing of the ship for which the bill of lading was issued, in cases where the loading of the cotton on board the named vessel was prevented by *force majeure.*[1]

The question of the continued use of " Received for Shipment " bills of lading was raised at the meeting of the Maritime Law Committee of the International Law Association at The Hague in August, 1921, and was discussed at some length. Sir James Hope Simpson and Mr. W. W. Paine, who represented the British Bankers' Association, put forward a proposal for the total discontinuance of the issue of bills of lading in this form, but withdrew it in view of the strong opposition of the representatives of the cargo owning interests. Eventually a resolution was passed to the following effect :

" That in the opinion of this Association the use of the shipping documents known as ' Received for Shipment ' bills of lading and like documents has become, in many cases, a necessity of commerce. This Association is therefore of opinion that the interests concerned should co-operate to remove difficulties which at present attend the use of such documents in the cases in which the necessity for their use is generally recognized."[2]

The Hague Rules, 1921, only deal indirectly with " Received for Shipment " bills of lading. They do not, as is sometimes supposed, compel anyone to accept them. Rule 7 of Article III,[3] provides a means by which the " Received for Shipment " bill of lading can

[1] See Appendix, Form of Bill of Lading Conference Committee Agreement, Liverpool. [2] Resolution 5. *Times* Trade Supplement for September 10th, 1921, p. 512. [3] *Ibid.*

be exchanged by the shipper for a " Shipped " bill of lading after shipment, and further enacts that a " Received for Shipment " bill of lading which is subsequently noted by the carrier, master or agent with the name of the ship on which the goods are loaded and the date of shipment is to be deemed to be a " Shipped " bill of lading for the purposes of the rules.

Enough has been said to show that bills of lading in this form have come to stay, and it is therefore a matter of great importance to see what rights and liabilities are acquired by or imposed on persons who issue or take shipping documents of this nature.

It will not be necessary to discuss the matter at length from the point of view of the consignor of the goods. So far as he is concerned, all that is necessary is that he should receive a document which is a recognized document of title. There can be but little doubt that this designation applies to a " Received for Shipment " bill of lading. It would be a bold man who contended that a document in this form is not at the present day one which is " used in the ordinary course of business as proof of the possession or control of goods, or authorizing or purporting to authorize, either by endorsement or by delivery, the possessor of the document to transfer or receive the goods thereby represented."[1]

The only matter with which the vendor of goods is seriously concerned is the question whether the tender of a shipping document in this form is a good tender in performance of a contract for the sale of goods by him on c.i.f. terms. This matter is dealt with hereafter in relation to the position of the holder of such a bill of lading and it is therefore not necessary to consider it at this stage.

The shipowner, is, of course, neutral in the controversy. He is not anxious to issue a bill of lading before shipment, as he thereby may incur more or less vaguely defined liabilities in the event of the loss of or damage to the goods before they are put on board, but he is on the other hand desirous of meeting the requirements of shippers, and if the latter demand a bill of lading in this form this will be conceded by the shipowner.

The question really turns on the position of the buyer to whom a bill of lading in this form is tendered in performance of a contract for the sale of goods under a c.i.f. contract. If he can be compelled to accept it, the question becomes very largely academic, as in that case there is no obstacle to the general use of the document in connection with overseas trade. If, on the other hand, he is entitled to reject it, its utility is practically destroyed, as either legislation will be necessary to put a " Received for Shipment " bill of lading on the same footing as a " Shipped " bill of lading, or the usual form of c.i.f. contract will have to be modified.

The duties of a seller under a c.i.f. contract are clearly defined in law. He must first of all, within the time named in the contract,

[1] Factors Act, 1889, sec. 1 (4), and Sale of Goods Act, 1893, sec. 62.

ship the goods ; and secondly, procure *on shipment*, a bill of lading, under which the goods will be delivered at the contractual destination.[1] The question which is most material to the present discussion is what is meant in law by the term " Bill of Lading " in this connection ? The answer is that it must be a contract which can be transferred to the buyer and which will give the latter two rights, namely : (*a*) to receive the goods and (*b*) to take proceedings against the shipowner in the event of non-delivery, short delivery, or damage to the goods.[2] As regards the first requirement there can be no doubt that if the goods have been shipped, the holder of a " Received for Shipment " bill of lading can demand delivery of the goods to him by the shipowner. The difficulty which sometimes arises is a practical one, namely, that of ascertaining the vessel on which the goods have, in fact, been shipped. It may happen that the goods arrive without the consignee being aware of the fact, and this difficulty is emphasized in a case where the holder of the bill of lading is a bank with whom the goods have been hypothecated as security for advances.

Looking at the matter from the lawyer's point of view, it is the second requirement, namely the right to sue the shipowner, which gives rise to a situation of considerable difficulty and complication. In order to appreciate the importance of this point it will be necessary to glance at the rules of law which regulate the rights of the holder of a bill of lading to take proceedings against the shipowner carrying the goods, in cases where goods are either not delivered or else delivered in a damaged condition. Originally at Common Law the only effect of the endorsement of a bill of lading was to pass the property in the goods. The endorser acquired no rights whatever against the shipowner for any breach of the contract of carriage. His only remedy in such a case was to proceed against the person who had sold him the goods. Similarly the endorsement did not transfer any of the liabilities under the contract to the endorsee, so that the shipowner in his turn was thrown back for his remedies on to a right of action against the shipper of the goods. One of the main objects of the Bills of Lading Act, 1855, was to alter this highly inconvenient state of affairs. It provides that every consignee of goods named in a bill of lading, and every endorsee of a bill of lading should acquire and be subject to all rights and liabilities arising under the contract of carriage, provided that in every case the property in the goods shall pass by virtue of the consignment or endorsement to such consignee or endorsee.[3] The result is that such persons can now sue and be sued just as if they had originally become parties to the contract of carriage contained in the bill of lading. But the point with which we are now concerned is whether a " Received for Shipment " bill of lading is within the contemplation of this enactment, so as to confer these rights and impose these liabilities on the holder. This depends on the answer to the question

[1] Landauer *v.* Craven, 17 Commercial Cases 193. [2] Hansson *v.* Hamel, 26 Commercial Cases 236. [3] Bills of Lading Act, 1855, sec. 1.

whether a document in this form is a bill of lading in the sense in which the term is used in the Act. Closely bound up with this is the further question whether a " Received for Shipment " bill of lading falls within the provisions of the Admiralty Jurisdiction Act, 1861, which gives an auxiliary remedy against the shipowner, or rather against the ship itself, by arresting it and proceeding in the Admiralty Court. Where a bill of lading has been endorsed this auxiliary remedy on the contract is conditional on the possession, by the endorsee, of contractual rights under the Bills of Lading Act, 1855, and these Acts are therefore, in a sense, inter-dependent.[1]

As long ago as 1890, Mr. Carver pointed out that it was " open to serious question " whether bills of lading in the " Received for Shipment " form were within the meaning of the Act of 1855. This Act was avowedly based on the famous verdict in the case of Lickbarrow *v.* Mason,[2] decided in 1794, when such things as " Received for Shipment " bills of lading were unknown. This appears clearly from the preamble to the Act which only envisages bills of lading in the " Shipped form." It presupposes (1) the existence of a binding contract of carriage between the shipper of the goods and the owner of a definitely ascertained ship ; (2) the actual shipment of the goods when the bill of lading is issued and (3) an Ocean Transit. It is extremely difficult to reconcile a " Received for Shipment " bill of lading with the intention of the framers of the Act. A bill of lading, in this form, leaves it in doubt: (*a*) When the goods will be shipped; (*b*) On what vessel they will be shipped ; and (*c*) Whether the owner of the ship on which the goods are ultimately shipped is a party to the contract which is embodied in the " Received for Shipment " bill of lading. The last point alone may well prove to be an obstacle to the application of the Act to such a bill of lading. The recipient of the goods for shipment, though bound to forward the goods to destination, is under no obligation to do so as agent for the consignor, with the result that the ocean bill of lading may turn out to be a contract which confers no rights either on the seller or the buyer of the goods, as it may prove to be a separate contract between the recipient for shipment and the shipowner. It should further be noted that the ocean bill of lading, under which the goods are actually shipped, cannot be treated as the bill of lading under the Act of 1855, because it does not pass the property to the indorsee of the " Received for Shipment " bill of lading. The latter document is the only one which can be endorsed so as to pass the property, and its endorsement is inoperative to transfer the contract in the ocean bill of lading.

There would therefore seem to be very grave doubt whether a bill of lading in the " Received for Shipment " form is covered by the Act of 1855, and consequently whether a buyer of goods on c.i.f. terms can be compelled to accept it as one of the shipping documents

[1] See Scrutton, Charter Parties. Article 77 and Note thereto.
[2] 2 Term Reports 63.

to be tendered in performance of the contract. It may entitle the buyer to receive the goods, but it gives him no right of action against the shipowner under the Act of 1855. The matter is, moreover, complicated by a serious conflict of judicial opinion. In the case of the *Marlborough Hill* [1] heard by the Privy Council on appeal from the Supreme Court of New South Wales, in December, 1920, the point was taken that a " Received for Shipment " bill of lading was not a bill of lading within the meaning of a statute[2] which is in identical terms to the Imperial Admiralty Jurisdiction Act, 1861. The further point, whether such a document would fall within the provisions of the Bills of Lading Act, 1855, was not directly in issue ; but, as has already been stated, the two questions are so closely connected that they cannot very well be dissociated from one another.

The bill of lading in this case ran to the effect that the goods were received for shipment by the sailing vessel called the *Marlborough Hill* or by some other vessel owned or operated by the Commonwealth and Dominion Line, Ltd., Cunard Line, Australasian Service. It gave the shipowner power to substitute or tranship the whole or any part of the goods by any other prior or subsequent vessel. It was therefore not a contract for the carriage of the goods on a named ship, and it did not admit that the goods had been loaded on board ship. Lord Phillimore in delivering judgment, dealt with the question in this way. He said, " there can be no difference in principle between the owner, master, or agent, acknowledging that he has received the goods on his wharf or allotted portion of quay or his storehouse awaiting shipment, and his acknowledging that the goods have been actually put over the ship's rail. . .. . Then as regards the obligation to carry either by the named ship or by some other vessel ; it is a contract which both parties may well find it convenient to enter into and accept. The liberty to tranship is ancient and well established, and does not derogate from the nature of a bill of lading, and if the contract begins when the goods are received on the wharf, substitution does not differ in principle from transhipment."[3]

It must be remembered, in the first place, that a ruling by the Privy Council does not finally determine the matter, for though entitled to the very greatest respect, it is not binding on the English Courts. But in any event it is open to very considerable doubt whether the judgment of Lord Phillimore can be supported on principle. It is submitted with great respect that before a shipping document can be recognized as coming within the provisions of the Bills of Lading Act, 1855, it must relate to an actual shipment on a named ship, and that a mere delivery of goods to some person on land for subsequent shipment is not sufficient. Moreover, the suggested analogy of transhipment seems hardly to be in point. The governing principle is that the voyage must be completed in the

[1] (1921) 1 A.C., p. 444. See a criticism of this case by Mr. R. E. Negus in *Law Quarterly Review*, Vol. 37, p. 442. [2] The Colonial Courts of Admiralty Act, 1890. [3] (1921) 1 A.C., at pp. 451-2.

same ship, and transhipment only becomes permissible (apart from express agreement) when the original carrying ship is prevented by damage or the like from completing the voyage. It is only in this restricted sense that transhipment, unless expressly sanctioned by the contract of carriage, is allowed.[1]

In any case the law as laid down in the *Marlborough Hill* has not been followed by the Commercial Court in this country. Shortly after the decision in that case the point came before Mr. Justice Macardie, sitting as Commercial Judge, but on a different set of facts. The case in question (*Diamond Alkali Export Corporation* v. *Bourgeois*[2]) involved the consideration of several issues, one of which was whether a bill of lading in the " Received for Shipment " form was one which the purchaser of goods under a c.i.f. contract could be compelled to accept in performance of the contract. The material facts for present purposes were these: The contract was for the sale of 50 tons of soda ash. Shipment was to be September/October, from American Seaboard. Terms of payment were cash against documents under confirmed bankers' credit at London. The price was c.i.f. Gothenburg. The sellers tendered to the buyers a document issued by the Swedish America Mexico Line Ltd., of Gothenburg, the material portions of which ran as follows:

" Received in apparent good order and condition from D. A. Horan to be transported by the s.s. *Anglia* now lying in the Port of Philadelphia and bound for Gothenburg . . . or failing shipment by said steamer in and upon a following steamer." The buyers refused to accept this document upon the grounds (amongst others) that it was not one of the shipping documents which could be tendered by a seller to a buyer in performance of a c.i.f. contract. The argument put forward before the learned judge on behalf of the buyer was that the document was not a bill of lading for this purpose, because: (*a*) it did not acknowledge the actual loading of the goods on board the named ship, i.e., the s.s. *Anglia*, and (*b*) that it did not provide for shipment of the goods by any specified ship. Mr. Justice Macardie held that the bill of lading in question was not a bill of lading within the c.i.f. contract of sale made between the parties. His decision was based on two grounds. In the first place he held that he was not bound by the decision in the *Marlborough Hill* case, and declined to follow it. Secondly, he held that a " Received for Shipment " bill of lading was not a bill of lading within the meaning of a c.i.f. contract, inasmuch as it did not fall within the provisions of the Bills of Lading Act, 1855.

Apart from any custom which may be proved to exist, it is submitted that the decision of the learned judge is a correct statement of the law. Reasons have already been given in support of the view: (1) That before a bill of lading can be regarded as one of the shipping documents which the buyer can be compelled to accept under a c.i.f. contract, it must be shown that it is a bill of

[1] Carver: *Carriage by Sea*. 6th Edition, sec. 304. [2] (1921) 3 K.B., 433.

lading under the Act of 1855 ; (2) That a " Received for Shipment " bill of lading does not comply with these requirements.

If it were otherwise, the legal position of the parties to the contract would be an impossible one. The holder of the document would have no rights against the shipowner in the event of short delivery or delivery in a damaged condition. Nor would he have any remedy against the master of the ship, because the master does not sign a " Received for Shipment " bill of lading and is therefore not personally liable. The holder would be bound, if he wished to enforce his rights, to take proceedings in the name of the seller ; but this would in most cases mean troublesome and expensive proceedings in a foreign court of justice. The ocean bill of lading would not solve the difficulty, for, as we have seen, the document of title which must be endorsed so as to pass the property in the goods, is the " Received for Shipment " bill of lading, and such endorsement does not transfer any rights under the contract in the " Ocean " bill of lading. Further, the endorsement of the " Ocean " bill of lading is of no avail to transfer to the endorsee any rights against the shipowner, because this endorsement does not pass the property in the goods, so as to bring the provisions of the Bills of Lading Act, 1855, into operation.

There remains the further question whether it would be possible to give in evidence the existence of a custom or usage of merchants by which a " Received for Shipment " bill of lading may be tendered in performance of a c.i.f. contract in the usual terms. It should be noted that in the "*Diamond Alkali*" case there was no finding by the arbitrator either one way or the other as to this. It is, however, indisputable that the practice of business men has for many years been to accept tender of bills of lading in the " Received for Shipment " form as performance of the contract. Whether this practice is sufficiently certain and general to constitute a custom of which the Courts will take judicial notice is a question which has not yet been put to the test and may be open to doubt. It may well be that the serious differences of opinion prevailing in business circles as to the desirability of " Received for Shipment " bills of lading might prevent the custom from being set up. But if the custom could be established it would be very regrettable if effect could not be given to it. It has always been the proud boast of our mercantile lawyers that the law merchant has never failed to keep abreast of developments in commerce, and it is impossible to avoid an uneasy feeling that in this instance the law may have failed to live up to this standard.

It is no doubt correct to say that business is not always dependent on legal theory, and that in practice the points which have been discussed do not arise. The law may be concerned with the pathology of commerce, but nevertheless it may become a matter of difficulty to procure finance for business transactions in cases where the legal rights of the financiers are a matter of doubt.

It is not an easy matter to suggest a remedy. So far as the merchants are concerned they can (if they are sufficiently powerful to get their own way) enter into some arrangement such as that contained in the form of agreement of the Bill of Lading Conferences Committee, Liverpool,[1] which provides for shipment within a specified time after arrival of the goods at the port of loading. The Hague Rules, 1921,[2] do not carry the matter very far. They only confer a right on the *shipper* to demand a " Shipped " in exchange for a " Received for Shipment " bill of lading, and if the shipper, who may be domiciled in a foreign country, does not choose to avail himself of this right the buyer of the goods is not in any way better off. Mr. Justice Macardie hinted in the " *Diamond Alkali* " case at the possibility of legislation to enlarge the scope of the Bills of Lading Act, 1855, so as to cover " Received for Shipment " bills of lading, and in this connection some such scheme as that suggested by Mr. Carver in 1890[3] for bringing the " Received for Shipment " and the " Ocean " bill of lading into line, might be adopted. This would give a buyer who holds both the " Received for Shipment " and the " Ocean " bills of lading for the goods all the rights given to the holder of a " Shipped " bill of lading by the Act of 1855, provided that the property in the goods has passed to the buyer by virtue of the " Received for Shipment " bill of lading. If the commercial community can come to some agreement amongst themselves as to the extent to which these documents are to be recognized, a great step in advance will have been made ; but in the present condition of affairs it would seem to be difficult to deal with the matter by legislation, and, meanwhile, seeing that the bankers are not favourably disposed towards " Received for Shipment " bills of lading, it may be that buyers under c.i.f. contracts will have to take steps to protect their interests by framing their contracts so as to provide for delivery to them of a " shipped " bill of lading, unless all parties concerned are content to leave matters as they stand at present, as may, perhaps, be the case.

APPENDIX.

LIVERPOOL BILL OF LADING CONFERENCE COMMITTEE AGREEMENT.

1. No Bill of Lading is to be signed unless the Cotton itself is actually delivered to us, or to the Captain, or to our authorized Agent in the port of shipment.
2. All Bills of Lading will be signed either by ourselves, or by the Captain, or by our authorized Agents. In the latter case their signature to be prefaced by the words " By authority of the Owners " which will clearly establish our responsibility.

   (*a*) A Port Bill of Lading is to be marked as a " Port Bill of Lading issued under agreement with the Liverpool Bill of Lading Conference Committee," and is on no account to be issued unless the vessel for which it is signed is in port.

[1] See Appendix. [2] Article III, under 7. Hague Rules, 1921. *Times* Trade Supplement for September 10th, 1921, p. 512. [3] *Law Quarterly Review*, Vol. VI, p. 289.

Except in cases of *force majeure*, strikes or other unavoidable and unforeseen events, all Cotton for which a Port Bill of Lading is issued will be actually put on board within ten days from date of such Bill of Lading. If the Cotton or a portion of it is unavoidably shut out from the Vessel for which the Port Bill of Lading has been issued in good faith, such shut out Cotton will be shipped by next following Vessel, but on no account later than twenty days after sailing of the Steamer for which the Bill of Lading is issued.

(*b*) A Custody Bill of Lading is to be marked as a " Custody Bill of Lading issued under agreement with the Liverpool Bill of Lading Conference Committee " and may be issued before arrival of the vessel in port, and it is to contain the Clause :—

" Substitution of another Vessel of different Ownership is only permissible in case the named Vessel is lost, or in case of accident, or other unforeseen events of *force majeure*."

We undertake to furnish a Master's Receipt within three weeks from date of such Bill of Lading, proving that the Cotton has been actually shipped within that time. Such Master's Receipt is, however, not intended to take the place of the original Bill of Lading, nor shall it in any way modify the rights of the holder of such Bill of Lading against ourselves or in respect of the property.

3. All Bills of Lading will be numbered consecutively, starting on the 1st January of each year, from each shipping port with No. 1 and adding the year. Port Bills of Lading and Custody Bills of Lading to be numbered separately thus :—

New York Port Bill of Lading.....	No. 1—1911.
New York Custody Bill of Lading.....	No. 1—1911.
Savannah Port Bill of Lading.....	No. 1—1911.
Savannah Custody Bill of Lading.....	No. 1—1911.

4. Except in cases of *force majeure*, strikes or other unavoidable and unforeseen events, all Cotton shipped on Through Bills of Lading will be actually put on board the carrying Vessel within twenty-one days from the date of its arrival at the Port of Shipment. In all cases where the receipt for the Cotton is signed by the authorized Agent instead of the Captain, the signature will be prefaced by the words " By authority of the Owners." If called upon by the Liverpool Bill of Lading Conference Committee the Agent must produce proof of such authority.

A Classified List of Agrarian Surveys to the Public Record Office (London)

Compiled by a Seminar under the direction of HUBERT HALL, *Litt.D., F.S.A., Reader in Palæography and Economic History.*

INTRODUCTION

THE object of the following list is to bring together in convenient form references to the more important agrarian surveys and analogous documents to be found among the Public Records. In an Appendix some account is given of records of this class to be found elsewhere ; but it is not possible to give in brief compass any detailed information with regard to items scattered in many repositories of manuscripts over the kingdom. With few exceptions, however, the records of the great national inquisitions from Domesday onwards, remain in official custody in the Public Record Office and are only occasionally supplemented by external documents. It is in regard to such records as Court Rolls and Cartularies, whose presence among the Public Records is more or less adventitious, that other collections are important for our present purpose. The student of the agrarian history of England and Wales must therefore always turn to the Public Record Office to supply him with his principal material, and it is here that the student whose interests are purely local must always seek some, and often the greater part, of the sources of his information.

To assist in the understanding and use of the documents included in the list, this brief introduction has been prefixed, and it is hoped that it will be of some help not only for elucidating the relations between various agrarian surveys of different dates and types, but in appreciating their historical value. Within the limits of a pamphlet it is not possible for an introduction to be more than suggestive, otherwise we should be concerned with little less than the agrarian history and a great part of the administrative history of England and Wales. The references to printed texts and calendars given in the List will guide the student to fuller accounts of many of the records noticed here, and mention may be made, once for all, of the official *Guide to the Public Records*, the *Directory of British Archives* published by the Royal Historical Society, and the little volume on the *Public Record Office*, in the series of " Helps to Students of History." To other works likely to be useful, reference is made elsewhere in this Introduction and in an Appendix.

While some excellent bibliographies of English agrarian history

have been published,[1] nothing in the nature of a classified list of unpublished sources has yet been attempted. It is the object of the list here printed to assist students in finding their way among the most important class of the documentary sources of agrarian history. Each item in this List is given in approximate order of date,[2] and the period covered is stated as precisely as possible: in another column is given the official reference with notes of official indexes, lists, or calendars. The compilers have had in view primarily the needs of students who propose to study the original records ; the information given will, it is hoped, prove of assistance also to those who are obliged to confine their studies to libraries of printed books, for such of these Surveys as have been printed are indicated in this list. The compilers could not hope to include references to all documents of the nature of an agrarian survey which have been printed. Scattered in local journals and local histories there are doubtless texts or abstracts of documents which have been ignored, and in extenuation of all such omissions it may be suggested that those interested in local history would turn in any case to bibliographies and find what is here overlooked. If, however, any text, calendar or index, of substantial service to the student of agrarian history has been omitted, the compilers can only plead the incidence of that human fallibility of which a double portion is reserved for bibliographers whatever their good intentions and faithful diligence.

Under the title of " Surveys " we include documents of a threefold character. We have one great class which consists of the answers or abstracts of the answers of juries to a series of questions : of this class is the great inquest called Domesday. Next, we have a class which describes lands or the incidents of the tenure of land after agreement between the parties to some legal process : such are fines and leases. And lastly, we have documents giving descriptions and details of lands and matters connected with the holding of land, which are the work of officers of Courts or Departments and are either based upon actual inspection and inquiry or are compilations of facts already known and recorded. The processes are not always, perhaps, distinct : a modern Inclosure Award, for instance, is based not only upon a survey but upon local inquiries bearing some resemblance to the earlier jury process, which was gradually outworn and superseded as an expedient of civil administration by the development of an expert official class. But, broadly speaking, this triple classification will include and distinguish every document which may properly be called a survey.

[1] e.g., F. G. Davenport, *Classified List of Printed Materials for English Manorial and Agrarian History* (1894) ; M. F. Moore, *Two Select Bibliographies of Mediæval Historical Study* (1912) ; D. L. Thomas, *Bibliographical List of Works relating to Welsh Agriculture and Land Tenure* (Royal Commission on Land in Wales and Monmouthshire, Appendix B, 1896).

[2] The official method of dating the several classes of Records by the Dominical or regnal date has been followed here ; but related items have been brought together to save repetition.

It may be asked whether any great purpose is served by classifying documents in this way: whether, after all, their form is of importance if the information is there. The reply is that frequently we cannot hope to understand the document before us if we do not know its origin and the process by which it was made: Domesday Book itself affords a prominent example of the added value of a record when the facts which lie behind it are understood. For very many years the purpose of the Domesday inquest was not appreciated. It is only comparatively recently that it has become an accepted truth that Domesday Book is, as Professor Maitland said, a "Geld-book,"[1] and a Geld-book which is a digest of the replies of jurors all over the country to series of questions put to them: and not only may the questions themselves have differed, if only in detail, from one part of the country to another, but the jurors who answered the questions represented, not one race only, or even two: from county to county their blood, their customs and their traditions differed and were mingled in varying proportions, and different communities may almost be said to have been at different stages of culture.

We have said that Domesday is an inquest, that it is a Geld-book, and that it is a digest of replies of jurors; and it may be asked whether some confusion is not involved in these descriptions. It will be best to reply by explaining the nature of the class of documents of which Domesday is a type.

The inquest or inquisition originated in a royal precept or writ. Embodied in the writ or contained in some related document were directions for making the inquiry. Following upon the receipt of the writ by the officers appointed to hold the inquisition, one or more juries, according to the extent of the inquiry, were empanelled and required to give information under the heads set out in the directions. A report of the proceedings (known as the "return") was afterwards drawn up and transmitted to the King's Court, or, after the functions of Government became differentiated, to the particular branch of it with which the inquiry originated. If the returns were required for permanent record, they might be transcribed, in more or less abbreviated form and in any required order in specially devised volumes or rolls. We may, therefore, find the record of an inquisition in a number of forms in various states of completeness: for it was natural for a transcriber to omit recurring formulas, and also details not essential for the purpose of the permanent record: and while it is frequently not difficult to reconstruct all the formulas of all the documents from the writ upwards, although we may have little more than the final abstract of the final returns surviving, yet, as a rule, original returns are of greater historical value than a derived record by reason of the wealth of details they supply.[2] On the other hand, there has been a greater chance of

[1] F. W. Maitland, *Domesday Book and Beyond*, p. 3.

[2] For a fuller description and actual examples of inquisitions see Hall, *Formula Book of Legal Documents*, sec. 1.

individual returns being lost, or indeed, of the whole of them disappearing—a fate which has to our knowledge befallen the records of certain inquisitions.[1]

Domesday Book [No. 1][2] is the earliest inquisition among the Public Records and the greatest in a series which extends beyond the Middle Ages. It tells us in respect of each estate mentioned the name of the tenant who then held it, his predecessor in the reign of King Edward, how much land there was, the number of plough teams on the demesne and the number owned by the tillers of the soil (whose ranks and numbers are given), how much wood, meadow and pasture, what mills there were, and what fisheries, with the value of the whole in the time of King Edward and after, when the inquest was held. Sometimes we get a little more information than this: the information is not always given in the same way; and the differences present at once obscurities and the opportunities for greater knowledge of the facts behind Domesday: but in general, these are the heads of information given, and they are designed for use in the assessment of a land tax.

Later inquisitions give information under other heads, and although, like Domesday, they give us information regarding the agrarian conditions of the time, this is incidental to their purpose, which was to enable a specific act of administration to be performed. Such inquisitions may have for their object some great national measure carried out at a specific date, or they may be a constantly recurring incident in mediæval administration. These two classes will easily be distinguished in the list which follows, by the dates attached to each entry, and it is not necessary to do more than give a brief account of some of the more noteworthy.

The Domesday Inquest was apparently followed during the succeeding century by similar inquisitions of limited scope designed possibly to bring the geld assessment of the Kingdom up to date; but beyond a few fragments[3] which have survived, we have no direct evidence. The assessment of land taxes (carucages) in 1198 and later years necessitated inquisitions which, again, are represented only by fragments.[4]

The *Rotuli de Dominabus* [3] are abstracts of returns to an inquisition made in 1185, having for its object the determination of the rights of the King arising out of the wardship of orphans and the marriage of widows: this record falls into the category of "Feudal Inquisitions," but for our purpose it is of importance as giving a statement of the quantity and value of the holdings of tenants in chief and the stock upon them.

In this category also are the Inquisitions *Post Mortem* and *Ad Quod Damnum* [28]: these inquisitions are not, however, of any particular year, but were made for the purpose of the current

[1] See Hall, *Studies in English Official Historical Documents*, pp. 305, 314.
[2] The number in square brackets refers to the serial number of the entry in the following list. [3] *Formula Book*, Pt. II, pp. 22-8. [4] *Ibid.*, pp. 23, 32-4.

business of government during several centuries. The Inquisition *Post Mortem* furnishes an Extent of the landed possessions of a deceased tenant-in-chief—including rents, customary works and services due to him—and a statement as to the succession to the estate: occasionally other details are given, as, for example, a reference to transactions affecting the land during the lifetime of the tenant or a note that a person other than the right heir is in occupation of the property. The Inquisition *Ad Quod Damnum* is of wider application, and is of interest here because of its use *inter alia* to determine whether the alienation of land for which licence was sought would be prejudicial to the King or other persons.

A series of somewhat similar character is that of Extents [29]: included are inquisitions concerning the lands of the Contrarients and other political offenders, although these have not quite the character of the Extent, the form of which is embodied in the reputed Statute known as *Extenta Manerii*, which calls for a minute description of lands and buildings, the tenants and services due from them, the pleas and perquisites of Court, the advowson and value of the churches; but a number following more or less closely this form will be found in the series.

The Hundred Rolls [23] are the (incomplete) returns to inquisitions of 1255, 1274 and 1279: they are primarily political in character, but since the general purpose of the inquisitions was to inquire into rights of the Crown of all kinds, and since such rights were very largely concerned with the demesne lands of the Crown, tenants-in-chief, and in ancient demesne, sub-infeudation, and so on, the returns contain a great deal of matter of agrarian interest. Closely connected with the Hundred Rolls are the so-called *Quo Warranto* Rolls [32] which record *inter alia* proceedings following upon those inquisitions.

The *Taxatio Pape Nicholai* [34] which i of the nature of an official survey rather than an inquisition, is of occasional direct interest for our present purpose by reason of the inclusion of detailed valuations of the possessions of bishops, religious houses, etc. It has, however, a further interest arising from its connection with the so-called "Nonæ Rolls" (*Inquisitiones Nonarum*) [26]. In assessing the tax granted to Edward III in 1340 of the ninth sheaf, fleece and lamb, the valuation of benefices as stated in the *Taxatio* was taken as a basis: the jurors of each parish stated whether the true value of the Ninth corresponded to this assessment, and where differences occurred, gave the reasons, frequently in great detail: information was also given as to the presence of merchants and others who did not live by agriculture. The returns have survived in a variety of forms, and are of the most value when preserving the original formula of the "indentures" which the jurors of each parish were required to seal.

The Inquisitions of Depopulation (1517-18) [66] were directed towards the enforcement of the Acts of 1490 and 1515 against the conversion of arable land to pasture: the returns to the inquisition

give particulars of houses fallen into decay, ploughs gone out of use, inhabitants departed, and so on. Returns to a later inquiry into depopulation (1607) will be found among Special Commissions (Chancery) [66]. A corresponding but more extensive series of Special Commissions is among the Exchequer Records. These Special Commissions have a wide range of subject and include a great many of agrarian interest: they may be regarded as a continuation, running into very recent times, of the Inquisitions of the Middle Ages, and the procedure was very largely that of inquiry by jury.

In course of time, however, the old procedure of the mediæval inquest ceased to be followed in the case of certain types of inquiry by Special Commission. Thus the Commissions issued for the purpose of taking the lands of Alien Enemies into the hands of the Crown [35] apparently ceased to be carried out in this way after the reign of Queen Anne: at least, no originals or enrolments are preserved in the Petty Bag or other series of Chancery Records.

Among judicial records there will also be found occasional inquisitions of various kinds which it would be difficult to distinguish in character from certain of the types mentioned above: there was in point of fact no clear distinction in the mediæval period between the procedure in ministerial and judicial inquiries: such conceptions are refinements of a later age. A specimen from the early *Curia Regis* Rolls [5] will be found in the *Rotuli Curiae Regis*,[1] where there is printed an inquisition regarding the customs of Sutton and Wilminton, Kent. Many other cases occurring in the *Coram Rege* Rolls [33] will be found in the *Abbreviatio Placitorum*, one of the most interesting being the inquisition concerning the reclamation of riverside lands at Stepney and their allocation among the tenants of the manor:[2] an inquisition concerning the lands and possessions of the Bishop of Ely fills with copious details many membranes of the Roll for the Michaelmas Term of 30 Edward III;[3] but the reader may be warned that, for the period subsequent to the reign of Edward II, there is no printed calendar or guide to these rolls, and the indexes in manuscript leave much to be desired. Both the Miscellanea of the Chancery [43] and the King's Bench series of Writs and Returns [42] contain numerou transcriptions of inquisitions of agrarian interest: a somewhat similar series (but differing in origin) is that of Chancery Miscellaneous Inquisitions [18], among which are the inquisitions concerning the possessions of the followers of de Montfort (the Inquisition *de Rebellibus*). The proceedings following the *Dictum de Kenilworth* are, however, among the Assize Rolls [17]: the presentments regarding the lands of the disinherited occasionally go into minute details.[4]

In this connection it may be remarked that the proceedings in manorial and other inferior courts reproduced on a smaller stage the proceedings in the Royal Courts; and Court Rolls, to which further

[1] *Record Commission*, Vol. II, pp. 148-51. [2] *Ibid.*, pp. 352, 353. [3] *Coram Rege* Roll No. 385, Rex, mm, 27 *sq.* [4] e.g., Hunter, *Rotuli Selecti*, p. 136.

reference is made later, consist largely of the records of presentments and inquisitions.

The Fine has an antiquity comparable to that of the Inquisition, and the existing series of Fines [6] dates back to a time when the *Curia Regis* was itself in its infancy. A few very early Fines, earlier than any of the Feet of Fines now preserved at the Public Record Office, are enrolled on the Pipe Rolls of Henry II.[1] At a comparatively early period the Fine became the subject of intricate and highly technical rules, and was limited in its operation to the conveyance of real property : when this stage was reached the action had become—save with the rarest exceptions—entirely fictitious, and was resorted to because of its superiority over other modes of conveyance ; but in its origin the Fine—*finalis concordia*—is an action compromised in court and the earliest fines deal at times with disputes of a varied nature which had become the subject of a composition arranged between the parties and sanctioned by the court : the pleadings in such actions may be found on the *Curia Regis* Rolls.

The record of the agreement in which the land or other subject matter is described was engrossed three times on one piece of parchment, which was subsequently divided, the bottom portion or the " foot " being filed and retained in official custody, the two counterparts (constituting the official copies) being for the use of the parties.

While the interest in all but the earliest fines is practically confined to the bare fact of the conveyance of certain parcels of land, those of the twelfth and early thirteenth centuries often possess considerable intrinsic value for the student of agrarian and economic history. We have, for example, a Fine of 1210,[2] which settled a dispute concerning the making and upkeep of walls, gutters and dikes in certain marshes in Essex : and there are many which contain references to services and other incidents of the tenure of land.

The Lease also is of great antiquity, and leases, particularly those of early date, have an economic interest, apart from their incidental description of agrarian holdings. With the exception of those to be found among Ancient Deeds [13] and the Greenwich Hospital Records [14], the leases among the Public Records are, however, comparatively modern, and consist of transcripts and counterparts which were in the hands of religious houses and passed to the Crown at the Dissolution [58], together with particulars, counterparts, and enrolments of leases granted by the Crown (and by various queens) from the reign of Henry VII onwards [59].

In the Middle Ages, and particularly in the early period, lands were frequently granted by charter which, while largely conventional in form, sometimes described the parcels and boundaries in detail. The original charters [13] among the Public Records are comparatively few in number, their presence being adventitious,

[1] For other early fines see Round, *Feudal England*, pp. 509 ff.
[2] *Feet of Fines*, 52/13, No. 250.

since the original went to the grantee and the official record consisted of the enrolment [10-11]. Private charters will be found among the series of Ancient Deeds and similar collections [13-15] as well as among the Chancery Enrolments where they are embodied in charters of confirmation. Cartularies [12], which, as their name implies, are primarily collections of "*cartae*," were compiled as an ordinary matter of business by religious houses as well as, although to a less extent, by private persons: these contain transcripts of charters, both royal and private, together with a variety of miscellaneous memoranda, largely, but by no means exclusively or even mainly, of agrarian interest. The cartularies among the Public Records are principally monastic in origin.

We have already referred in passing to certain types of survey, which were based upon the inquiries of ministers or officers of the Government. They may take the form of memoranda or reports where the purpose is that of official information, or of orders, decrees and awards where the purpose is judicial or quasi-judicial: associated with such documents may be maps [70] which also fall into this class. Memoranda and reports will be found among the State Papers [75] and Departmental Records [88]. Although differing in form they are lineal descendants of the enrolments and precedent or memoranda books in which the inquisitions of an earlier period are largely preserved. We may note specially the Particulars and Surveys of Estates to be found among the State Papers of the *Interregnum*, which have been described as "forming practically a rent roll of the great landed estates in England."[1]

Of Orders, Decrees and Awards [76] the most important for our purpose are those concerning inclosures [57]; but they may be found dealing with other agrarian matters, as for example, the regulation of rights of common. A usual course of procedure in the sixteenth and seventeenth centuries to secure the inclosure of a common (to which the consent of all parties legally interested was necessary) was for the owner of the soil and the commoners to join in an agreement for the purpose. A bill was then filed in a Court of Equity for the specific performance of the agreement, the final record being a decree of the Court.[2] The legality of this procedure was questioned and the practice was then adopted of obtaining a private Act of Parliament under the authority of which Commissioners were appointed to draw up an Award which was generally (although not invariably) enrolled either with one of the Courts of Record at Westminster, or with the Clerk of the Peace for the County. These Acts are very numerous in the eighteenth and first half of the nineteenth centuries, when they were superseded by the Inclosure Act of 1845, which set up a permanent body of Inclosure Commissioners: with this

[1] Cal. S.P.Dom., *Commission for Compounding*, Vol. II, p. v.

[2] See Joshua Williams, *Rights of Common*, pp. 246 ff.; T. E. Scrutton, *Commons and Common Fields*, pp. 130 ff.; *Trans. Royal Hist. Soc.*, N.S., xix, pp. 108 ff.; *Camden Miscellany*, XII, pp. 169 ff.

Act the series of Awards in the Public Record Office comes to an end.

In this class also fall such documents as Rentals, Custumals and Terriers [16-19]. These were compiled and revised from time to time to provide a record of the rents and services due from tenants and to afford a check upon the officers responsible for the working and the revenue of an estate : a large proportion of those among the Public Records are private compilations which have come from religious houses. The compilations to which the generic title of cartularies is given, and which have been described above, frequently contain memoranda in the nature of rentals and custumals. Closely associated with this group of records are the series of Court Rolls [22] and Ministers' Accounts [20]. The former are the records of the proceedings in seignorial and manorial courts, some of very considerable importance, such as the Courts of Lordship of Ruthin[1] : the official series, indeed, includes a large variety of courts of inferior jurisdiction which do not here concern us. The court rolls of manors and honours contain much information of agrarian interest, largely in the form of inquisitions : they present the administrative aspect of the manor or honour, while the Ministers' Accounts, which are very closely related, present the fiscal aspect : the latter frequently set out in minute details the results of the year's husbandry, the receipts, purchases and sales and the stock in hand : constituting, in fact, a record very closely resembling a survey.

The use for historical purposes of the various classes of agrarian survey has to some extent been indicated in the foregoing paragraphs. Domesday Book has long been regarded as a primary source for eleventh-century history, and since it has been put into print and reproduced in facsimile has become increasingly the object of serious study. Inquisitions *Post Mortem* and *Ad Quod Damnum* and other Feudal Inquisitions, together with Fines, have been largely used for genealogical studies and family history—and also, to a much less extent, for agrarian and general historical studies—although the older calendars and texts are unsatisfactory and have only, within comparatively recent years, been replaced to some extent by modern editions. Of other mediæval agrarian surveys, but limited use has been made. This has been largely due to defective editions in which those that have been printed have for the most part appeared and to the difficulties of reference in the case of unpublished records.

The editors employed by the Record Commission (who, to do them justice, did publish the more important of the mediæval surveys) appear to have had but little understanding of the documents before them, and, with rare exceptions, did not provide the texts with more than indexes of persons and places and sometimes not both of these. Ultimately the task of re-editing must be taken in hand, but in the meantime some contributions towards the work preliminary to scholarly editions have been made. Students who desire to under-

[1] The records of another important court, the Halmote Court Rolls, are among the Cursitors' Records of the Palatinate of Durham.

stand the administrative origin and diplomatic construction of these records may be referred to Dr. J. H. Round's *Feudal England*, to Dr. Hubert Hall's *Studies in English Official Documents*, and to the *Formula Book of Legal Records*, compiled by a Seminar of the London School of Economics under Dr. Hall's direction.

Of recent years the use of unpublished records has been greatly facilitated by the compilation of " Lists and Indexes," which have appeared in the earlier Deputy Keeper's Reports and later as a separate series, although the individual volumes vary greatly in value. The extent to which they are available for the classes of documents here treated, will be found from the references contained in the fourth column of the following list. A noticeable omission is that of indexes to the Plea Rolls of the several courts[1]: these records, which should be a principal source for the economic and social history of England in the Middle Ages, are a *terra incognita* almost entirely uncharted and unmapped: at best the published texts provide only specimens—picked out on no very intelligible principle. The available manuscript lists and indexes of the Judicial Records are for the most part the work of earlier generations of record keepers. The Indexes which go under the name of Agarde (who himself calendared many of the more important cases on the *Coram Rege* Rolls) are the most valuable, but the point of view is primarily legal. Modern texts (mostly the result of private effort) and calendars cover but a small fraction of agrarian surveys: reference has been made to most of these in the fourth column of this list.

The student will have gathered from what has already been said, that the task of dealing with the various classes of agrarian surveys is beset with difficulties which are only gradually being removed. If he is working upon the history of a district, a parish or a manor, his path will be easier than that of a student who is dealing with a wider subject. Instead of an orderly series of scholarly editions of the great national inquisitions from Domesday onwards, editions presenting an accurate text with a precise explanation of the origin and purpose of the record, its deficiencies and its relations to other records, and forming, as it were, the skeleton about which agrarian history could be reconstructed, there is the disarray of texts of very various degrees of excellence or badness which we have indicated above. But with these, whatever their defects, the student has to work, supplementing them where necessary by reference to the original records, for the printed texts are not all complete. At various points in history these inquisitions afford a more or less comprehensive view of certain aspects of agrarian conditions. The information they provide, however, must be used in conjunction with chronicles and statutes, the rolls of Chancery, and the many other sources which throw light on agrarian changes: and although we cannot directly compare, for example, the information contained in

[1] There is a list of Plea Rolls (No. IV) and an index to the *Placita de Banco* for two years of Edward III.

Domesday with that given in the Hundred Rolls or the *Nonae* Rolls as we can the returns of one modern census with another, yet they do to some extent cover the same ground and, being little coloured by bias and free from manipulation in the interest of any party or policy, they furnish criteria by which the value of other sources may be estimated.

Court Rolls, Ministers' Accounts and analogous documents such as extents, rentals and custumals are of great value for the detailed description and intimate understanding of agrarian conditions and changes from the thirteenth century to the sixteenth. They will not afford a general view of agriculture or of agricultural labour at any point of time, in the way that a national inquisition will, although they may partially serve this purpose: for although the country may be said to have been composed of manors, and each manor possessed a court and court rolls as well as accounts, yet these have been preserved very unequally from place to place and even then are the records of courts, with different jurisdictions, kept upon no uniform plan, and the accounts of estates of the most varied extent managed on various systems. The proportion of records of these classes that have been printed is very small, and, as there is no prospect of any considerable proportion ever being published, the student who desires to use them must be prepared to consult the originals. They have been used for the study of the growth of the manor as an institution, the study of particular phases of agrarian history as exhibited in a manor or group of manors, and the study of the general history of particular districts. It is for studies of such phases of agrarian history as the effect of the Black Death or the break up of the manorial system that these records have probably proved most fruitful: and although there are obvious difficulties, both in interpreting the facts recorded and in generalizing from the evidence afforded by certain localities, here again we have put in our hands material from which to prepare criteria of unquestionable impartiality and authority.

For the mediæval period assessments for taxation or Subsidy Rolls [26] are of value for the information they afford of the population, crops and livestock at different periods: the information to be derived from any particular assessment depends upon the incidence of the particular tax and the extent to which the returns are preserved. In this class fall the *Nonae* Rolls, which have been described in some detail above. The most instructive study of an assessment is probably contained in Mr. E. Powell's *A Suffolk Hundred in* 1283, where a comparison is instituted between the information to be derived from an assessment of that year and a modern return compiled by the Board of Agriculture.

The transition from mediæval to modern agriculture—a process extending over four or five centuries—is recorded in the Depopulation Returns [66], in the Awards and Decrees of Courts of

Equity of the sixteenth and seventeenth centuries [48-54], in the Returns to Special Commissions [66], the Inclosure Awards under statute of the eighteenth and nineteenth centuries [87], as well as Court Rolls and various surveys dealing with certain classes of property. such as Delinquents' Estates [75-76] and Forfeited Estates [66-68]. The Tithe Maps and Apportionments which cover a great part of the country and which constitute a survey ranking with the great surveys of the Middle Ages, although in official custody, are not in the Public Record Office: these give an admirable and exact picture of the occupation of land and the progress of inclosure in the thirties and forties of last century, and are supplemented by the modern series of inclosure awards to be found in the same repository.[1] It may be noted in this connection that the Reports of the old Board of Agriculture (in existence from 1793 to 1822) which are one of the principal authorities for the later eighteenth and early nineteenth centuries, are not strictly of official origin: the Board was not a public department, but a semi-official corporation supported by a Parliamentary grant.[2]

Another aspect of the transition to modern agriculture, namely, the draining of fen and marsh land, can be traced to some extent in scattered mediæval inquisitions [28], the Laws and Ordinances of Sewers [41], Petitions and Fiats for Commissions of Sewers [80], and various Special Commissions [66], as well as the records of the Privy Council and other sources: the practice of resorting to special legislation to enable reclamation to be carried out commenced however in the sixteenth century, with the result that by the nineteenth century Commissions of Sewers were only one type among a large class of *ad hoc* administrative bodies charged with analogous and frequently conflicting powers: moreover, the history of land drainage and reclamation is largely to be sought in the records of these bodies, which remain in local custody, and an extensive literature of pamphlets and controversial writings.[3]

The following inter-collegiate students of the University of London took part in the preparation of this list, which has involved considerable research. Miss B. Eliott Lockhart, Mrs. I. S. Hutton, H. G. Richardson, M.A., B.Sc. (Econ.), Miss E. Scroggs, Mrs. R. H. Tawney, Miss M. M. Weale, M.A., Miss M. Wretts-Smith, M.A., M.Sc. (Econ.). The Introduction was drafted by Mr. Richardson in consultation with the Seminar.

[1] Ministry of Agriculture as successors to the Tithe and Inclosure Commissioners, etc.

[2] Their records were deposited by the Government in the custody of the Royal Agricultural Society of England; see *Second Report of Royal Commission on Public Records*, Pt. I, p. 31; Pt. II, p. 301. *Journal of Royal Agricultural Society*, 3rd Series, Vol. IX (1898), pp. 189.

[3] Royal Commission on Public Records, Second Report, Appendix II, p. 98 *sq.*, and Third Report, Appendix II, *passim.*

A Select List of Agrarian Surveys, etc., in the Public Record Office (London)*

	Date.	*Title.*	*Description.*	*Official Reference.*
*1.	1086	*Domesday Book*, Vols. I and II.	Inquisitions and descriptions of manors and other holdings throughout England.	Excheq. T.R. *s. b titulo*
*2.	Hen. I-III.	Pipe Rolls.	Occasional descriptions of lands, etc.	Excheq. L.T.R. *s.t.*
*3.	1185	*Rotuli de Dominabus.*	Inquisitions of Wardships, Reliefs and other feudal profits due to the Crown.	Excheq. K.R., *Serjeanties, etc., No.* 2.
*4.	[A.D. 1185.]	Inquisitions of Templars' Lands.	General descriptions of lands, etc.	K.R. Misc. Bks., 16.
*5.	1194-1272.	*Curia Regis* Rolls.	Occasional extents, etc.	King's Bench *s.t.* (*passim*).
*6.	Rich. I-Wm. IV.	Feet of Fines.	General descriptions of lands, etc.	Common Pleas, *s.t.*; Palatinates of Chester, Lancaster and Durham, *s.t.* (*Lists and Indexes*, XL, pp. 20, 45 and 61.) Principality of Wales (*Lists and Indexes*, XL) (*passim*).
*7.	1200-1300.	Red and Black Books of the Exchequer.	Distribution of feudal holdings and general descriptions of services, etc.	K.R. Misc. Bks., Nos. 2 and 12 (1837 *Report*, pp. 165-77 *Guide*, pp. 222-5).
*8.	1200-1300.	*Testa de Nevill.*	Occasional extents and assessments of lands, etc.	K.R. Misc. Bks., Nos. 5 and 6.
*9.	1200-1400.	Serjeanties, Knights' Fees, etc.	Inquisitions and Returns relating to tenures, services, etc.	Excheq. K.R. *s.t.*
*10.	1200-1600.	Royal Charters and Registers of Grants.	Contemporary or early registers of charters, deeds, letters, etc.	Duchy of Lancaster, Misc. Bks. (*Lists and Indexes*, XIV, D K. 35 and 36 *Reports*).
*11.	1200-1600.	Charter Rolls.	Occasional descriptions of lands.	Chancery Enrolments, *s.t.* (*Lists and Indexes*, XXVII *D.K.* 27-30 *Reports*; Ayloffe, *Calendar of Charters*).

* Items marked with an asterisk have been published, in whole or in part, by the Government, by learned societies, or by individual authors.

	Date.	*Title.*	*Description.*	*Official Reference.*
*12.	1200-1500.	Monastic and other Cartularies.	Copies of Royal Charters, private deeds, rentals, etc.	K.R. Misc. Bks., 19-29 T.R. Misc. Bks.; A.O. Misc. Bks., 55-63; D. of L. Misc. Bks., 3, 5, 6-8; L.R. Misc. Bks., 61 (*D.K. 8 Rep., App. II*, pp. 135-66).
*13.	1200-1600.	Ancient Deeds.†	General descriptions of lands, etc.	Special Collections (various series), *s.t.* (*Calendar in progress*).
14.	1200-1900.	Greenwich Hospital Deeds.	General descriptions of lands, etc.	Adm. Miscellanea (*MS. List*).
15.	Edw.I-Chas.I.	Deeds and Evidences.	Charters, deeds, court rolls, etc.	Court of Wards. Misc. Books. (*D.K. 6 Rep. II.*, pp. 1-87).
16.	1200-1800	Rentals and Surveys.	Extents, surveys, rentals, etc.	Special Collections, *s.t.*; D. of L., *s.t.*; S.P. Dom. (*passim*); S.P. Supplry. (*Lists and Indexes*, XIV, XXV).
*17.	John-Edw.IV.	Assize and Eyre Rolls.	Occasional extents, etc.	Justices Itinerant, Assize Rolls, etc. (*Lists and Indexes*, IV).
*18.	John-Vict.	Miscellanea (*passim*).	Surveys and Inquisitions relating to land, etc.	Chancery, Miscellaneous Inquisitions (Calendar); Excheq. K.R. *s.t.*; Palatinate of Chester *s.t.* (*Lists and Indexes*, XL, pp. 27-9).
*19.	1208-1460.	Rentals and Ministers' Accts.	Detailed descriptions of lands, crops, stock, customs, etc.	Ecclesiastical Commission. Various, *s.t.* (*MS. List*).
*20.	Hen. III-Geo. III.	Ministers' Accounts.	Occasional particulars of agrarian conditions in accounts of Bailiffs, etc.	Special Collections, *s.t.* (*Lists and Indexes*, V); Ecclesiastical Commission, *s.t.* (*MS. List*).
*21.	Hen. III-Wm. IV	Plea Rolls.	Occasional descriptions of lands and tenures.	Palatinate of Chester, *s.t.* (*D.K.* 26 and 30, *Reports*); Special Collections, *s.t.* (*Lists and Indexes*, IV).
*22.	1300-1900.	Court Rolls.	Occasional particulars of lands, services, etc.	Exch. Land Rev. Dept., *s.t.*; Excheq. A.O., Misc. Bks.; Admiralty, Greenwich Hospital Records, *s.t.* Ecclesiastical Commission, *s.t.* (*MS. List*); Duchy of Lancaster *s.t.* (*Lists and Indexes*, VI, p. 159, and *D.K. 43rd Report, App.*, p. 206).

† Deeds will be found more or less frequently inrolled from the 13th to the 19th century in the following classes of records: Chancery "Close Rolls"; King's Bench, Common Pleas and Exchequer "Plea Rolls"; Exchequer "Memoranda Rolls"; Augmentation Office and Treasury of Receipt "Miscellaneous Books"; Land Revenue "Enrolment Books." Also in the Plea Rolls of the respective Palatinates.

	Date.	*Title.*	*Description.*	*Official Reference.*
*23.	1255-1279.	Hundred Rolls.	Inquisitions of lands, services, etc. (Record Commission).	Special Collections, *s.t.* (*Lists and Indexes*, IV ; *Guide*, pp. 139-42).
*24.	1300-1700.	Forest Proceedings.	Inquisitions and perambulations.	Excheq. K.R. *s.t.* (*MS. List*) ; Excheq. T.R. *s.t.* ; Chanc. Misc., Nos. 11-12 ; Palatinate of Chester, *s.t.* (*Lists and Indexes*, XL ; *Guide*, pp. 134-6).
*25.	Hen. III-Hen. VII	Scottish Documents. Documents relating to Ireland, Wales, and the Channel Islands.	Occasional surveys, etc.	Chanc. Miscellanea (*MS. List*).
*26.	Hen. III.-Wm. III.	Subsidy Rolls.	Occasional extents, rentals, etc.	Excheq. K.R. *s.t.* (*MS. List*).
27.	Hen. III.-Geo. III.	Exchequer Accounts.	Original accounts and vouchers.†	Excheq. K.R. *s.t.* (*Lists and Indexes*, XXXV).
*28.	1300-1700.	Inquisitions (*Post Mortem* ; *Ad Quod Damnum* and Miscellaneous).	Descriptions of lands, tenures and services, customs and rentals, etc.	Chanc. *s.t.* Excheq. K.R. *s.t.* ; ; Court of Ward, Misc. Bks. ; Duchy of Lancs, *s.t.* ; Pal. of Durham, Lancs, and Chester, *s.t.* (*Lists and Indexes*, XII, XVII, XXII, XXIII, XXVI XXXI, XXXII, XL).
29.	1250-1450.	Ancient Extents.	General descriptions of lands, etc.	Excheq. K.R. *s.t.* and Misc. (*MS. List*).
30.	Hen. VIII-Chas. I.	Extents.	Surveys supplementing Inquisitions *Post Mortem*.	Court of Wards, *s.t.* (*Printed and MS. List.*)
*31.	1300-1800.	Miscellaneous Books.	Feodaries, inquisitions, rentals, surveys, leases, extents, courts, assessments, valuations, particulars.	Excheq. K.R. *s.t.*, Nos. 5, 6, 13, 16, 18, 37-47, 54. Aug. O. *s.t.*, Nos. 5, 15, 16, 18, 56-63, 79-86, 149, 166-7, 175-84, 209-37, 283, 313-14, 357-410, 413-34, 440-1, 489-91 (*MS. Subject Index*). Exch. Land Revenue Dept. *s.t.*, Nos. 50-75, 79, 84-103, 126-325 (*Guide*, pp. 154-6).
*32.	1279-1500.	*Quo Warranto* Rolls.	Inquisitions of lands, services, etc.	Assize Rolls *s.t.* (*passim*). (*Lists and Indexes*, IV.) Palatinate of Chester *s.t.* (*Lists and Indexes*, IV).
*33.	1285-1714.	*Coram Rege* Rolls.	Occasional extents, etc.	King's Bench *s.t.* (*MSS. Agarde*, 33-7).

† cf. Formula Book II, pp. 93-7, and 99-115.

	Date.	Title.	Description.	Official Reference.
*34.	[1291-2.]	*Taxatio Papae Nicholai.*	Occasional extents and valuations of lands, etc.	K.R. Misc. Bks., 13 and 14.
35.	1293-1483.	Extents of alien priories.	Inquisitions of aliens' lands and goods.	Excheq. K.R. *s.t.* (*Lists and Indexes*, V).
36.	1300-1500.	Accounts Enrolled.	Enrolments of accounts relating to land or stock.	Excheq. K.R. *s.t.* (*Lists and Indexes*, VI).
*37.	1311-16.	Kellawe's Register.	Occasional descriptions of lands, services, etc.	Palatinate of Durham *s.t.* (*D.K. 30th Report*, p. 90).
38.	1351-66.	White Book of Cornwall.	Occasional descriptions of Duchy lands.	Exch. T.R. Misc. Bks., No. 280.
39.	Edw.III.-Eliz.	Assession Rolls.	Rentals of tenants of Assessionary lands in the Duchy of Cornwall.	Aug. O., Duchy of Cornwall *s.t.* (*MS. Cal. and Index*).
40.	1400-1848.	Plea Rolls.	Occasional descriptions of lands, etc.	Palatinate of Lancaster *s.t.* (*Lists and Indexes*, IV).
41.	1400-1600.	Sea banks and sewers.	Drainage of agrarian holdings.	D. of Lancs., Misc. Bdle., VIII (*Lists and Indexes*, XIV, p. 117).
42.	1300-1600.	Writs and Returns.	Occasional extents.	K.B. (Plea side) *s.t.* (*MS. Lists*).
43.	1400-1600.	Transcripts of Pleadings.	Records of Inferior Courts brought up on Writs of *Certiorari*, etc., include descriptions of lands, proceedings before Commissioners of Sewers, etc.	Chancery Miscellanea, Nos. 47-145 (*MS. List*).
44.	1400-1800.	*Placita in Cancellaria.*	Common Law pleadings include occasional descriptions of lands, etc.	Chancery *s.t.*, various series. (*Printed and MS. lists*).
*45.	1500-1800.	Chancery Proceedings.	Descriptions of lands, customs, services, etc. (*passim*).	*S.t.*, various series. (*Printed and MS. Calendars and Lists*).
46.	1500-1800.	Chancery Depositions.	Sworn statements as to boundaries and condition of agriculture, etc.	*S.t.* (*MS. Indexes*).
47.	Hen. VII-Geo. III.	Judicial Proceedings (Depositions, etc.).	Occasional descriptions of lands, etc.	D. of Lancs *s.t.* (*Lists and Indexes*, XIV, pp. 55-7).
48.	Edw. IV-Wm. IV.	Decrees and Orders.	Occasional descriptions of common lands, etc.	D. of Lancs *s.t.* (*Lists and Indexes*, XIV, pp. 50-4).

	Date.	*Title.*	*Description.*	*Official Reference.*
49.	1500-1900.	Decrees and Orders.	Entry Books and enrolments reciting the particulars given in Chancery Proceedings and Depositions as to lands, etc.	Chancery *s.t.* (*MS. Calendars and Indexes*).
50.	1523-1784.	Decrees and Orders.	Occasional descriptions of common lands, etc.	Pal. of Lancs *s.t.* (*Lists and Indexes*, XL, p. 57).
51.	Eliz.-1841.	Decrees and Orders.	Occasional descriptions of common lands, etc.	Exch. K.R. *s.t.*, various series (*MS. Indexes*).
52.	1633-1850.	Orders and Decrees (Entry Books).	Occasional descriptions of common lands, etc.	Pal. of Durham *s.t.* (*Lists and Indexes*, XL, p. 39).
53.	Hen. VII.-Wm. IV.	Judicial Proceedings (Pleadings).	Occasional particulars of lands, etc.	D. of Lancs *s.t.* (*Lists and Indexes*, XIV, pp. 59-64).
54.	Hen. VIII.-Chas. I.	Judicial Proceedings.	Occasional descriptions of lands, services, etc.	Court of Wards *s.t.* (*Printed and MS. Lists*).
*55.	1534-5.	*Valor Ecclesiasticus* (original returns).	Occasional particulars of lands, services, etc.	Exch. F.F. and T. *s.t.*
56.	Hen. VIII.-Jas. I.	Feodaries' Surveys.	For valuation of Crown Lands, etc.	Court of Wards, *s.t.* and Misc. Bks., 129-40 (*Printed and MS. List and Index*).
57.	Hen. VIII-Wm. IV.	Inclosure Awards.	Particulars of common lands inclosed by statutory procedure or otherwise.	Wales *s.t.* (*Lists and Indexes*, XL); Pal. of Chester, Misc. (*passim*). (*Lists and Indexes*, XL, p. 29). *See* No. 87.
58.	Rich. III-Hen. VIII.	Conventual Leases.	General descriptions of lands, etc.	Excheq. A. O. *s.t.* (*MS. Calendar*).
59.	Hen. VIII-Geo. IV.	Leases (Drafts, particulars, counterparts and enrolments of).	General descriptions of lands, services, rentals, etc., with some particulars of local customs, etc.	Court of Wards, Misc. Bks. (*passim*); Excheq. L.T.R. *s.t.*; Augm. O., Misc. Bks., 185-208 *s.t.* (*MS. and Printed Lists and Calendars*).†
60.	Hen. VIII.	Acknowledgments of Supremacy.	General descriptions of lands, etc.	Excheq. T.R. *s.t.* (*D.K., 7 Rep., App. II*).
61.	Hen. VIII.	Surrenders of Monasteries.	Deeds of Surrender describing the lands, etc., of each monastery in general terms.	Excheq. A.O. *s.t.* (*D.K., 8 Rep., App. II*).

† Gaps in this record are supplied by other compilations (*Guide*, pp. 124, 133).

	Date.	*Title.*	*Description.*	*Official Reference.*
62.	Hen. VIII-Ed. VI.	Acquittances, Enrolments of.	General descriptions of lands, etc.	A.O., Misc. Bks., No. 1.
63.	Hen. VIII-Geo. II.	Particulars for Grants, etc.	General descriptions of lands, etc.	Excheq. L.R. *s.t.*; Excheq. K.R. *s.t.*; Excheq. A.O. *s.t.* (*MS. Calendar*).
64.	Hen. VIII-1832.	Auditors' Memoranda.	Miscellaneous Papers relating to Crown lands, including rentals, valors, particulars, deeds, court rolls, etc.	Excheq. L.R. *s.t.* (*MS. List*).
65.	Hen. VIII-1832.	Receivers' Accounts.	Include Rentals and Memoranda.	Excheq. L.R. *s.t.* (*MS. List*).
*66.	Hen. VIII-Vict.	Special Commissions and Returns.	As to Liberties and derelict, concealed or forfeited Lands, Depopulations, Perambulations of Forests, and various surveys (Sewers, etc.).	Chanc. Misc. Bdls., 7 and 8; Chanc. P.B. *s.t.*; Excheq. K.R. *s.t.*; D. of L. *s.t.* (*Lists and Indexes*, XIV, XXXV, XXXVIII).
67.	1569-1797.	Proceedings of Commissioners of Forfeited Estates.	Surveys, Rentals, Leases, Particulars, Abstracts and Accounts of, and Claims on estates, Rent Rolls, etc.	*S.t.* (*D.K.*, 5 *Rep.*, *App. II*).
*68.	Eliz.-Jas. I.	Homberstone's Survey, and other surveys.	Of estates forfeited, in connection with the Northern Rebellion of 1568.	Excheq. K.R., Misc. Bks., 37-47.
69.	Eliz.-1832.	L.R. Rentals, etc.	General descriptions of lands and services, etc.	Excheq. L.R. *s.t.* (*MS. List*).
*70.	1600-1700.	Maps and Plans.	Of lands, commons, houses, etc.	D. of Lancs., Misc. *s.t.* (*Lists and Indexes*, XIV, p. 76, and *passim*).
71.	1600-1800.	Charitable Uses (Proceedings as to).	Commissions, Inquisitions, Decrees, Depositions, etc., as to lands, etc.	Chancery *s.t.*, various series (*Lists and Indexes*, X; cf. *D.K.*, 32 *Rep.*, *App.*).
72.	Eliz.-Jas. I.	Audit Office, Declared Accounts.	Extent, distribution and value of Assarted Lands.	*S.t.* (*Lists and Indexes*, II, pp. 13, 122).
73.	1639.	S.P. Dom. Ch. I, Vol. 416.	Schemes for drainage of Lincolnshire Fens, (*see* Calendar, cf. Register of P.C., 1600-1700).	*S.t.* (*Lists and Indexes*, XLIII, p. 23).

	Date.	*Title.*	*Description.*	*Official Reference.*
74.	Chas. I-1869.	Lunacy, Commissions and Inquisitions of.	Returns to Commissions *de lunatico inquirendo*, with occasional particulars of lands, etc.	Chanc., P.B.O. *s.t.* (*MS. List*).
*75.	1642-1660.	Exchequer Commonwealth Papers.	Descriptions of Delinquents' estates.	S.P. Supplementary, *s.t.* (*MS. List*).
*76.	1645-54.	Committee for Compounding.	Papers relating to the administration of forfeited estates (Royalists).	S.P. Interregnum C. 53-58a and G. 174-227 (*Lists and Indexes*, XLIII and *Calendar s.t.*).
77.	1649-53.	Parliamentary Surveys.	General descriptions of lands and services, etc.	Excheq. A.O. *s.t.*; D. of Lancs *s.t.* (*Lists and Indexes*, XXV).
78.	Commonwealth.	Particulars for Sale of Crown Lands (Chas. I).	General descriptions of lands, etc.	Excheq. A.O. *s.t.* (*MS. Calendar*).
79.	Commonwealth.	Particulars for the sale of Fee Farm Rents.	General descriptions of lands, etc.	A.O. *s.t.* (*MS. Calendars*).
80.	1685.	Sewers, Petitions and Fiats for Commissions of.	Particulars and Plans may be found (*see also* Transcripts of Pleadings and Laws and Ordinances of Sewers).	Chancery, Crown Office and Petty Bag Office, *s.t.* (*MS. List*).
81.	1685-1822.	Extents and Inquisitionsf or Crown Debts.	General descriptions of lands, etc.	Excheq. K.R. *s.t.* (*MS. Calendar*).
82.	1694-1844.	Awards and Agreements (Chancery).	Arbitration as to Inclosures of Common Fields, etc.	Chancery, Reports and Certificates (*passim*).
83.	1700-1800.	Close Rolls.	Enrolments of Inclosure Awards.	Chancery Enrolments *s.t.* (*passim*) (*D.K.*, 27 *Rep. App.*).
84.	Geo. I.	Returns of Papists' estates.	Statutory returns by Clerks of Peace giving particulars.	Excheq. K.R. *s.t.* (*MS. Index*).
85.	1735-1863.	Admiralty, Greenwich Hospital Records, Surveys.	Surveys and Plans of Derwentwater Estates.	*S.t.* (P.R.O. *Lists and Indexes*, XVIII, p. 229).
86.	1745-50.	Pipe and Audit Office, Declared Accounts.	Extent and distribution of Cattle Plague.	*S.t.* (*Lists and Indexes*, II, p. 379).
87.	1760-1851.	Inclosure Awards (Enrolments of).	Enrolments of Inclosure Awards.	King's Bench (Plea Side) Plea Rolls (*Printed Indexes*); Excheq. K.R. Memor. Rolls; Common Pleas, Recovery Rolls (*D.K.*, 27 *Rep., App.*). *See* No. 57.

	Date.	*Title.*	*Description.*	*Official Reference.*
88.	1810-72.	Greenwich Hospital Accounts.	Estate Accounts and Surveys.	Admiralty, Greenwich Hospital (*Lists and Indexes*, XVIII, p. 230).
89.	1817-57.	Plea Rolls (Exchequer).	Occasional Tithe Suits.	Excheq. of Pleas. *s.t.* (*MS. Calendar*).
90.	1803-15.	Home Office, "Internal Defence." War Office, Miscellanea, various.	Distribution of Agricultural produce and farm stock noted in connection with strategical operations.	*S.t.* (*Lists and Indexes*, XLIII, pp. 115-9; XXVIII, p. 140).

APPENDIX I

Records and MSS. outside the Public Record Office

A.—Central Collections

(*a*) *State Archives.*—Records relating to the manorial economy and other agrarian subjects should be found in the following Departmental archives: The Duchy of Cornwall, the Board of Agriculture, etc., the Duchy of Lancaster, the Office of Woods, etc., and the Ecclesiastical Commission. Their number and importance is not great and they are not accessible to students as a matter of course. The last three Departments have transmitted most of their earlier records to the Public Record Office. The records of the Board of Agriculture include all Inclosure Awards made under the Act of 1845;[1] also a valuable collection of Tithe Apportionment Maps, etc., dating from 1838 to 1886.

(*b*) *Public Institutions and Libraries.*—Documents or records relating to the above subjects will be found, variously distributed, in these Metropolitan repositories. For the British Museum collections, reference should be made to the Class Catalogue (Department of Manuscripts) *Topography*, V. (pp. 1923-2213), also to the Catalogue of Add. MSS. (1843, etc.) and *Index to Charters and Rolls* (1900). At the Lambeth Library there is a MS. Calendar of Court Rolls, etc., compiled by Messrs. Stuart Moore and Kirk.

Detailed references to the above-mentioned collections will be found in N. J. Hone's *Manor* (Appx. I). There are numerous agrarian documents among the muniments of other public institutions centralized in the Metropolis. For a classified list of the Central Collections, see *Repertory*, pp. 163-174.

(*c*) *Private Collections.*—Although manorial records should have been preserved in local collections, a considerable proportion has, for a long time past, been centralized either in the " town house " of the owner, or in the offices of London solicitors acting for the county families or their agents. A few of these collections have been mentioned by the Historical MSS. Commission or used by the *Victoria County History*. Some interesting documents relating to agrarian history are preserved in the library of the Society of Antiquaries, and other private collections.

B.—Local Collections

1. *Public Records in local custody.*—For the records of the Palati-

[1] Awards may be found among the deeds enrolled in the Land Registry Office and the Registries for Yorkshire. Those relating to property of the Crown or Duchies should be among the records of the Land Revenue Department and of the Duchy of Lancaster, now presumably transferred to the Public Record Office. Some awards for the Duchies and Palatinates may be still outstanding.

nate of Ely, *see* Printed Calendar (A. Gibbons 1891), 1914 Report, Appx. (II), pp. 39 and 142, and *Repertory*, pp. 78, 96. For records of the Office of Woods, etc., *see* 1914 Report, *loc. cit.*, pp. 250-251. Some Cathedral records taken over by the Ecclesiastical Commission have remained in the stewardship of the Chapters (*Repertory*, p. 97 *n*). For records of Sewers Commissions, *see* 1914 Report, Appx. (II), pp. 98-100, and *Repertory*, pp. 103 and 105.

2. *County Records.*—For Inclosure Awards and occasional collections of agrarian records,[1] *see Repertory*, pp. 116 and 214 and Part III (*passim*).

3. *Municipal Records.*—For miscellaneous agrarian records, *see Repertory*, p. 125 and Part III (*passim*).

4. Parish Records, *see* below, Ecclesiastical Records.

5. Ecclesiastical Records, *see Repertory*, pp. 132 and 143.

6. Muniments of Literary Institutions, Public Libraries, charitable or academic bodies, and family collections, are mentioned in the *Repertory*, pp. 148, 151-153.

APPENDIX II

Bibliography of Agrarian Surveys

(*a*) Bibliographies and Lists of Sources.

Bodleian Library: *Catalogue of Western MSS.* (*Topographical*). (F. Madan, 1895).
—— *Catalogue of Charters and Rolls* (Coxe and Turner, 1878).
British Museum: *Catalogue.* (*Printed and MS.*)
—— *Class Catalogue of MSS.*
—— *Index to Charters and Rolls* (Ellis and Bickley, 1908.)
Davenport, F. G.: *Classified List of printed original materials* (1894).
Gomme, G. L.: *Literature of Local Institutions* (1886).
—— *Index of Archæological Papers* (1891, etc.).
Gross, C.: *Sources and Literature* (1914).
Hall, H.: *Bibliography of Mediæval Economic History* (1914).
Hone, N. J.: *The Manor and Manorial Records*, Appx I (1906).
London Library: *Subject Index* (C. T. H. Wright, 1907).
Manorial Society: *Lists of Manor Court Rolls* (1907, etc.).
Moore, M. F.: *Bibliography of Manorial and Agrarian History* (1912). (In *London School of Economics, Bibliographies*, No. 2, pp. 71 *sq.*).
Nicholls, J. G.: *Collectanea Topographica and Genealogica* (1834-43).

(*b*) Collections of Texts, etc.

Anglia Christiana Society (1846-8).

[1] e.g., London County Council.

British Academy, Records of Social and Economy History (1914, etc.).
Camden Society (1838, etc.).
Domesday Studies (P. E. Dove). (1888-91).
Oxford Studies, Legal and Social (1909, etc.).
Public Record Office Publications (1840, etc.).
Record Commission Publications (1800-1837).
Rolls Series (1858, etc.).
Roxburgh Club (1814, etc.).
Royal Historical Society (1875, etc.).
Selden Society (1888, etc.).
Surtees Society (1835, etc.).
Thoresby Society (1889, etc.).

(*c*) Modern Works.

Ashley, W. J.: *Surveys, Historic and Economic* (1900).
Ballard, A.: *The Domesday Inquest* (1906).
Cunningham, W.: *Growth of English Industry and Commerce* (1910). (B).
Davenport, F. G.: *Economic Development of a Norfolk Manor* (1906).
Gay, E. F.: *Inclosures in England in the Sixteenth Century* (1903).
Gonner, C. R.: *Common Land and Inclosures* (1914).
Gray, H. L.: *English Field Systems* (1915).
Hearnshaw, F. J. C.: *Leet Jurisdiction in England* (1908) (B).
Johnson, A. H.: *The Disappearance of the Small Landowner* (1909).
Lipson, E.: *Introduction to Economic History* (1915).
Maitland, F. W.: *Domesday Book and Beyond* (1897).
Neilson, N.: *Economic conditions on the Manors of Ramsey Abbey* (1898).
Round, J. H.: *Feudal England* (1895).
Seebohm, F.: *English Village Community* (1890).
Slater, G.: *The English Peasantry and the Inclosure of Common Fields* (1906).
Tawney, R. H.: *Agrarian Problems in the Sixteenth Century* (1912).
Vinogradoff, Sir Paul: *Growth of the Manor* (1911).

(*d*) Periodical Publications.

English Historical Review.
Notes and Queries.
See also the periodicals referred to in Gomme's *Index of Archæological Papers*, and Hall *op. cit.* Appx. A. and B.

The Methods of Appointment of Administrative and Clerical Staffs in the Local Government Service of England and Wales

By Edith How Martyn,
Middlesex County Councillor.

Professor Graham Wallas expressed to me the urgent need for an inquiry into the methods of appointment and control of officials in the English Local Government service. The following paper is the outcome of this remark.

On inquiry as to what had already been done in this field, I found that with the exception of the Royal Commission on the Poor Law,[1] which reported in 1909, little or nothing had been done. In the case of the National Civil Service, Royal Commissions and Select and Departmental Committees have shed a flood of light on the organization and the staffing of the Departments as well as on the methods of appointment, the grading and the prospects of Civil Servants.[2] The absence of such reports in the case of the Local Government Service is a measure of the public ignorance and indifference which exist with regard to the working, organization, staffing and one might almost add the activities of the Local Government Service.

This apathy contrasts strangely with the considered opinions of competent authorities. For instance, Mr. and Mrs. Sidney Webb say: "The reform of Local Government is the most urgent need for the British Government of to-day."[3]

In the Journal of the National Association of Local Government Officials, November 1920, Mr. O. Lewis Abbot of Manchester writes as follows: "At the present time the Local Government Service, in view of its many and abstruse responsibilities, is recruited in a grotesquely haphazard manner. . . . What have the local authorities ever done towards the training of their future officials? What inducements have they ever offered to their younger officials to improve their proficiency? The truth is that efficiency has come

[1] Report of the Royal Commission on the Poor Laws and Relief of Distress. 1909. Cd. 4499.

[2] Royal Commission on the Civil Service, 1912-1916. Six Reports: Cd. 6209, 6534, 6739, 7338, 7748, 7832. Ridley Commission, 1886. Playfair Commission, 1874. Civil Service Enquiry, by Sir C. Trevelyan and Sir S. Northcote, 1853. Reference to the Sessional Printed Papers of the House of Commons shows numerous reports on different branches of the Civil Service.

[3] *Constitution of Socialist State*, 1920, p. 211.

from outside and almost in spite of the authorities. . . . What local authority has inaugurated an entrance examination for the aspirants to official distinction upon entering the service? How many local authorities ever give any meed of recognition upon any of their officials obtaining their always difficult qualifications? How many local authorities have arrangements whereby young officials can spend a few hours a week in office time at the local technical school or, may be, the university? . . .

It is no exaggeration to say that, so far as building up the Local Government Service is concerned, the authorities themselves have signally failed."

Mr. Abbot omits to notice the work of the London County Council in this direction, but with that important and notable exception the indictment is practically a true picture of the state of affairs.

DATA

In order to determine to what extent this lack of data really exists, I interviewed the Secretaries of the County Councils Association, the Association of Municipal Corporations and the Association of Urban and Rural District Councils and found that with the exception of the results of an inquiry into the method of appointment of Clerks to County Councils, they had very little information to give on these points. The Secretary of the Association of Local Government Officers very kindly placed at my disposal such small amount of information as he had, and also gave me many useful hints.

I then drafted a questionnaire which Mr. Sidney Webb very kindly revised. The questions asked included:

1. Are appointments made to the Clerical Administrative Staff after examination?

   (*a*) Competitive. (*b*) Qualifying.

2. Are any educational qualifications specified as required and if so, what are they?

A form was sent to the Chief Clerk of each of the 344 largest Local Authorities. In addition a few Councillors personally known to me supplied me with the requisite information. The response to this appeal for information can be seen from the following table.

Name of Authority.	Number to receive form.	Number of replies.	Proportion of replies.
County Councils	All, i.e., 63	37	59%
County Borough Councils ...	All, i.e., 82	55	67%
Borough Councils	88 (population over 20,000)	62	70%
Metropolitan Borough Councils	All, i.e., 28	15	54%
Urban District Councils ...	83 (population over 20,000)	64	77%
Totals	344	233	65%

Thus the number of the Authorities [1] supplying information was two-thirds of the total number, and therefore, a very fair idea of the conditions prevailing in the Service can be obtained.

I have much pleasure in thanking those Clerks and Councillors who have supplied me with information and to a special degree the Clerk of the Middlesex County Council, who is ever ready to give me the benefit of his very wide experience.

COUNTY COUNCILS

The Clerk.

The greatest anomaly in the appointment of officials existing in the Local Government Service concerns the Clerks to County Councils. These important bodies (with the exception of London and the Isle of Wight) have no legal power to appoint their own Clerks, but must accept as Clerk to the County Council the person who is appointed by the Standing Joint Committee to the office of Clerk of the Peace for the County.

The Local Government Act[2] of 1888 provides in Part 1, section 83, that: (1) " the Clerk of the Peace of a county, besides acting as clerk of the peace of that county, shall also (subject to the provisions of this Act as respects particular counties) be the Clerk of the County Council.

" (2) He shall be from time to time appointed by the Standing Joint Committee of the County Council and the Quarter Sessions, and may be removed by that joint committee.

" (11) The Clerk of the Peace for the County of London shall be a separate officer from the Clerk of the County Council for the administrative County of London."

In section 30 it is provided that " there shall be a standing joint committee of the quarter sessions and the county council consisting of such equal number of justices appointed by the quarter sessions and of members of the County Council appointed by that council as may from time to time be arranged between the quarter sessions and the council and in default of arrangement such number to be

[1] It is interesting to note that seven Authorities refused any information, while 104 did not reply. Two refusals are as follows: " Permit me to say at once that it would be quite inconsistent with the ordinary practice in Local Government administration for me to give information such as you desire to have in regard to office arrangements."

" I regret that I am not able to send you this information. If it is required for the purpose of the County Council of Middlesex, I shall be willing to consider any letter from the Clerk to the Council, but I cannot undertake to reply to individual requests for information."

For the purpose of comparison I wrote to the President of the Civil Service Commission of a large City in the United States of America. He sent a full reply and added, " I trust it will help you with the investigation into the methods of appointment of Local Government officials. If there is any other way in which we can be of service to you, do not hesitate to call upon us."

[2] Local Government (England and Wales) Act, 1888 (51 and 52 Vict. cap. 41).

taken equally from the quarter sessions and the council as may be directed by a Secretary of State."

This statutory Committee usually consists of twenty members, of whom ten are annually appointed by the Court of Quarter Sessions in April, and ten by the County Council at its Statutory Meeting in March. There is no appeal from the decision of this Committee. The powers of the Standing Joint Committee are laid down in Section 30 (3) of the Act :

" Any matter arising under this Act with respect to the police, or to the clerk of the peace, or to clerks of the justices, or to officers who serve both the quarter sessions or justices and the county council, or to the provision of accommodation for the quarter sessions or justices out of session or to the use by them or the police or the said clerks of any buildings, rooms or premises, to any sums received by clerks to justices, or with respect to anything incidental to the above-mentioned matters, and any other matter requiring to be determined jointly by the quarter sessions and county council, shall be referred to and determined by the joint committee under this section; and all such expenditure as the said joint committee determine to be required for the purposes of the matters above in this section mentioned, shall be paid out of the county fund, and the council of the county shall provide for such payment accordingly."

This survival from the days of the undemocratic administration of County Government by the Justices of the Peace is in many cases resented by the County Councils themselves. The Parliamentary Committee of the County Councils Association [1] has recently given full consideration to the matter, after obtaining the opinion of the individual County Councils and of the Standing Joint Committees and a report drafted by that Committee has been endorsed by the full Council of the Association. This report contains the following recommendations :

(*a*) That the appointment of the Clerk of the Council should be in the hands of the County Council, instead of the Standing Joint Committee, but that, in the interests of economy, the offices of Clerk of the Peace and of the County Council should, where possible, be held by the same person ;

(*b*) That the County Council should have power, without the sanction of the Secretary of State, to fix the salary, duties, and tenure of office of their Clerk ;

(*c*) That the staff employed in the office of the Clerk of the Council should be directly appointed, employed, and paid by the Council ;

(*d*) That the Clerk of the Council, by virtue of his office, should be (and, in the opinion of the Sub-Committee, is in fact) Clerk of the Education Committee as of the other

[1] A body which contains as representatives, councillors from every County Council in England and Wales, but until recently did not directly represent the Standing Joint Committee in any respect.

Committees of the Council, but that the division of duties as between the Clerk and the Education Secretary should be left to the discretion of each County Council ;

(*e*) That the position of the Clerk and the persons employed in his department, as regards superannuation, should be the same as that of the other employees of the County Council ;

(*f*) That Standing Joint Committees as at present constituted should remain ;

(*g*) That Standing Joint Committees should be required to furnish County Councils, for the purpose of information, with an estimate of their expenditure at the commencement of each financial year, and with any supplementary estimates, and, further, should be deprived, in favour of county councils, of their powers and duties relative to such county buildings and their staffs as are not used and employed exclusively for the purposes of the police and the administration of justice.

Bills to give effect to these recommendations have been drafted and, when finally settled, will be introduced in Parliament ; but, in view of the fact that the virtual monopoly by the Government of the time of the House allows but little opportunity for the discussion of Bills presented by private members, it is very doubtful whether any early change in the law will be effected.

The following table summarizes the results of the opinions obtained by the County Councils Association :

Recommendation.	*County Councils.*	*Stg. Jnt. C'ttee.*
(*a*)	35 out of 42	30 out of 40
(*b*)	32 ,, 35	28 ,, 33
(*c*)	33 ,, 36	27 ,, 34
(*d*)	19 ,, 31	15 ,, 24
(*e*)	28 ,, 28	28 ,, 28
(*f*)	16 ,, 35	32 ,, 35
(*g*)	24 ,, 25	26 ,, 32

The figures show that for recommendations *a*, *b*, *c*, *e*, and *g*, there were large majorities. Recommendation *d* is more a matter of form than of urgency in actual practice. In most counties the work of the Education Committee is so large that the Clerk of the Council could not deal with it in addition to the work of his Council, but it is considered to be useful to have the legal position of the two officers clearly stated.

Recommendation (*f*), dealing with the abolition or retention of Standing Joint Committees, naturally roused great interest, and it is hardly surprising that only three out of thirty-five committees were willing to vote for their own extinction.

The report gives the opinions on recommendation (*f*) as follows :

County Councils.—Thirty-five replies. Eighteen counties are in

favour of the abolition of the Standing Joint Committee and the transfer of its powers to the County Council, and, of these, five counties (Cambridgeshire, Essex, Northants, Notts, and Wilts) add suggestions as to the constitution of the County Council Committee by which the powers should in future be administered. These suggestions refer, in particular, to representations of Justices. One county (Surrey) expresses the opinion that " certain powers and duties of the Committee should be transferred to the County Council; other powers and duties, including control of the police, could be as efficiently carried out by a statutory committee of the County Council constituted on the lines of the present Standing Joint Committee." Sixteen counties do not approve the proposed abolition of Standing Joint Committees, and, of these, one county (Somerset) limits its proposed retention of the Committee to the duration of County Police Forces, and one (Staffs) expresses the opinion that the Committee should have the same status as other County Council Committees.

Standing Joint Committees.—Thirty-five replies. Three Committees (Breconshire, Northants, and Wilts) are in favour of abolition, the two latter adding suggestions as to the constitution of the County Council Committee by which the powers should in future be administered. Thirty-two Committees oppose abolition, two of them (Salop and Somerset) limiting the retention of the Committee to the duration of County Police Forces.

The debate on the recommendations showed that many County Councils were in favour of the complete abolition of Standing Joint Committees, but the majority of the members inclined to the view that it was neither wise nor practical to place the control of the county police in the hands of popularly elected bodies, and therefore voted in favour of the retention of the existing powers of the Standing Joint Committee except in so far as they relate to the appointment of the Clerk to the County Council and the control of such county buildings and their staff as are not used exclusively for the purposes of the police and the administration of justice.

As previously stated, the prospect of legislation is uncertain, for the Bills would probably come within the definition of a Departmental Bill as given by Mr. Balfour: that is, a second-class uncontroversial Bill. Of these Bills, Mr. Balfour in his evidence before the Select Committee on House of Commons (Procedure) 1906,[1] said: " It seems to me, that the great blot, the greatest of all blots upon our procedure at this moment, is the fact that Session after Session goes by and Bills to which nobody or very few really object on their merits are handed on from Session to Session, and perhaps from Government to Government, without becoming law. No political credit is to be got out of them ; no Government loses by not passing them ; no Government gains by passing them ; the people who lose

[1] House of Commons (Procedure), 1906, 89 and 181, Question 107.

are the public or the public service ; and the Opposition of the day or a few individuals on the Opposition or even on the Government side, are quite sufficient to stop those Bills from getting through at present, if they have to run the ordeal of the Committee Stage and Report Stage and all the rest of it. If we could earmark those Bills off, I should hold that one of the greatest reforms ever carried out had really been effected."

Mr. Balfour goes on to say he has devoted " hours of thought in trying to discover a means by which such Bills could be differentiated " and later adds : " I have never yet been able to devise any machinery which seems to me either satisfactory in itself or of a kind that the House would be ready to accept which would make this most desirable differentiation possible."

In reply to another question (114) Mr. Balfour continues : " I again repeat, that so far as those intentions deal with uncontroversial Departmental Bills, there is no object which deserves the more anxious attention of the House. As it stands at present it is a scandal upon our present system." Questioned as to the possibility of distinguishing between controversial and non-controversial Bills, Mr. Balfour said : " I have never been able to think of a plan which either satisfied me or which I thought would satisfy the House. The nearest I have ever got to it is the construction of a Committee which shall not be formed in the ordinary method, on which the Government shall have no exceptional power."[1]

The whole report and especially Mr. Balfour's evidence shows in the clearest light one of the great obstacles in the path of those who would reform local government by legislation. The difficulty applies to those changes which, to quote Mr. Balfour again, " almost every impartial person considering them would say, ' That is a Bill that should pass, it will smooth the way for the Department, it will remove a public grievance—it hurts nobody and it benefits many. Let it go through without all the elaborate formalities with which we now protect legislation.' "[2]

Staff in the Clerk's Office

The Clerk to the County Council is alone responsible for the staff of his department. He appoints, controls, pays and dismisses his staff. As the Clerk to one County Council observed to me, " Legally I could come to the office in the morning and dismiss every clerk in my department and the County Council would have no legal remedy." The statutory basis for this arrangement is the Criminal Justice Administration Act, 1851,[3] which provides : " Where any Clerk is paid by salary under any Order made by virtue of this Act, such salary shall include and be deemed the Remuneration, for all business which such Clerk may, by reason of his Office, be called upon to perform ; and no other payment shall be made for any such business, or for or to a Deputy of any such Clerk."

[1] Question 125. [2] Question 142. [3] 14 and 15 Vict., ch. 55, sec. 10.

The Law Officers of the Crown have ruled that the salary must be an inclusive one.

The actual position may be very different. The Standing Joint Committee may, by arrangement with the Clerk, appoint, promote, and control the staff in the Clerk's department, and in Middlesex the grading and adjustments of salary are carried out by the Establishment Committee of the County Council.

Other Staff Appointments.

In addition to the Clerk, the staff of a County Council consists of:

(*a*) Professional and Technical Staff.
(*b*) Administrative and Clerical Staff.

With regard to the Professional and Technical Staff, it is not usual for these experts to submit to an examination by an appointing body as in all cases there are recognized professional examinations and candidates are expected to have qualified for these. All such posts are usually advertised.

The data supplied by my questionnaire refer only to the Administrative and Clerical Staffs.

COUNTIES

London is the only County Council which has a comprehensive scheme of entrance examinations.[1] There are two grades of open competitive examination for appointments to its Administrative and Clerical Staffs—(*a*) for appointments on the minor establishment; (*b*) for second-class clerkships.

The Essex County Council has graded its staff—apart from principal County officers, chief assistants, specialist officers, chief clerks and women shorthand typists—into two main divisions, viz., a junior grade and an adult grade.[2]

The Middlesex County Council, in December last, passed the following resolution: "That, except in cases of special circumstances, it be made a condition that applicants for new appointments on the clerical staff of the County Council must have passed Matriculation or a General School Examination, or hold a Certificate of a similar standard, e.g., the Oxford or Cambridge Senior Locals."

[1] Particulars of the conditions of service and of the examinations, copies of examination paper and of the qualifications required for candidates are to be obtained either directly or through any bookseller from Messrs. P. S. King and Son.

[2] "At 18 years of age the probationer shall cease to remain in the County service unless he shall have passed a test examination conducted by the Director of Education, or such external examination as shall be deemed to be equivalent.

"A male clerk shall not be retained in the County service after reaching the age of 24 years, unless he shall have passed a second examination conducted by the Director of Education, or such other external examination as shall be deemed to be equivalent, and have secured a recommendation from the principal officer in his department."

At least four other Counties have an examination conducted by the heads of departments for juniors entering the service. Stimulated by the National Association of Local Government Officers,[1] many counties are considering the matter, but a large majority of County Councils have apparently given no thought to the question. In the absence of any systematic methods of entry to the service haphazard selection takes place ; boys who know, or whose parents know, officials in the service get an advantage, an energetic Education Secretary naturally urges the claims of boys from the local schools, a few would enter in response to advertisements and others because their fathers or uncles were in the service, which would give them an advantage.

Some comments made by Clerks to County Councils are as follows :

" After thirty years' experience, I am satisfied that a little common sense is better than hard and fast rules as to the service promotion, etc., of the administrative staff."

" At the present I could give satisfactory answers to hardly any of your questions as the whole subject of staff and conditions of service are just now to a large extent in a state of suspension, and some or all of the questions you ask depend on decisions (if any) which may be come to when the present application of a war bonus system ceases and permanent salaries are fixed."

" The Rutland County Council have no clerical staff directly employed by them ; they are employed and paid by me."

" The question of examination on appointment to the Clerical Administrative Staff of the West Riding County Council was recently considered by a Joint Committee of the County Council and adjourned for further consideration."

Members of the Durham County Council in conversation with me on the matter said they considered that until all children receive free secondary education, no rules ought to be made which would have the effect of excluding children who have only had an elementary education.

COUNTY BOROUGHS

Manchester appears to be the only County Borough which has a considered scheme of recruitment by open competitive examination. In 1907 the City Council approved " That a preliminary open competitive examination be necessary to qualify for entrance to official service of the Corporation, and that all future appointments be made from a list of candidates who have passed such examination

[1] The National Association of Local Government Officers founded in 1905 is a Trade Union with a membership of more than 40,000 out of a possible 60,000 to 70,000 drawn from all departments of the Local Government Service. The President is Sir Homewood Crawford, City Solicitor, London. The General Secretary, Mr. L. Hill, and the offices are at Caxton Hall, Westminster.

and to the satisfaction of the respective Committees making the appointments."[1]

Though no other County Borough appears to have any definite plan of recruitment by open competitive examination a large number are considering the question; the following comments taken from the questionnaire returns will indicate the tentative efforts being made:

"I may say that whenever I have had occasion to engage a new clerk, I have made the appointment, generally with the approval of the Committee; there has not been any occasion for an examination, but first-class educational qualifications have, of course, been essential."

"Appointments on the junior staff are, as a general rule, made after examination."

Similar remarks are made by ten out of the fifty-five County Borough Clerks.

"The Local Branch of the National Association of Local Government Officers has asked that all appointments be made after examination, and I shall be prepared to support their recommendation."

"Generally speaking, the question of Educational ability has not been so much observed in making appointments here as I should wish, but this is very largely being altered. For instance, I am advertising for applicants for the filling of eight posts in my (City Treasurer's) Department, and I am stipulating that the applicants must either be Chartered or Incorporated Accountants or have passed the final examination of the Institute of Municipal Treasurers and Accountants. At the next meeting of the Finance Committee it is my full intention to recommend that no Junior shall be appointed in my Department in future, unless he undertakes to take such a course of study as will meet with my approval and in due course present himself for some qualifying examination."

"The whole question of the employment of the clerical staff is at present receiving consideration by a special Committee appointed for the purpose. A suggestion has been made that the junior appointments in the various offices of the Corporation should be

[1] Standing Order No. 96 provides: "(1) Any new or vacant permanent position in the service of the Corporation, the commencing salary for which exceeds £4 4s. per week, shall be filled after public advertisement except where it is deemed desirable to promote or transfer an official of the Corporation, and except in the case of such positions in the Higher Education staff, as the Education Committee consider it desirable to fill without advertisement.

"(2) Every advertisement inviting applications for a new or vacant position in the service of the Corporation, or for any appointment which rests with the Corporation, shall prohibit canvassing in any form—oral or written, direct or indirect—and (in the case of a position or appointment the commencing salary for which exceeds £4 4s. per week) shall require applications with testimonials to be sent to the Town Clerk only, and not to the members of the Committee or of the Council.

"Juniors are examined in arithmetic, writing and dictation, and a good general education is required. In the College of Technology, clerical assistants are expected to attain to Matriculation standard at least."

filled by selection from the most suitable candidates in attendance at the various schools in the City, such appointments to be subject to the person appointed undertaking to continue his education in a manner satisfactory to the head of the department, but as the whole matter is at present under consideration, no definite decisions have been arrived at."

Derby Council lays down that " Junior clerks must have obtained certificates in the Oxford or Cambridge Local Examinations or such other examination as the Committee may approve," and that " Junior clerks wishing to be passed into Grade 3, or reaching the age of twenty-one, must have obtained certificates in specified commercial subjects at examinations held by approved Societies or Institutions."

East Ham " requested the National Association of Local Government Officers to hold an examination for a number of new entrants now required for the Local Government Service." " Officers holding a degree of a British University are entitled to £10 above the maximum of his grade."

" In most cases junior clerks are selected from boys who have done well at local schools."

" The appointments and promotion of Assistants are generally left in the hands of the Chief Officials."

At Norwich, " engagements are restricted to persons who have attained the age of sixteen years, and this it is understood was imposed with the object of ensuring that applicants for clerical positions have received a secondary education."

" The Sheffield City Council has recently decided that Junior Clerks entering the service of the Corporation shall possess the School Certificate of the Northern Universities Board or an equivalent. Junior Clerks at present in the service of the Corporation are expected to obtain a similar qualification before attaining the age of twenty-one, as a condition of the continuance of their employment after that age."

At Southport steps have been taken " to get the Corporation to recognize National Association of Local Government Officers' or equivalent examination for entry to the service." "Recruiting of Staffs varies in each Department. Everything being subject to the recommendations of the Heads of Departments."

LONDON BOROUGHS

In no case is there a proper scheme of open competitive entrance examinations though eight impose a test on juniors entering the service. Camberwell provides, " that appointments to the Grade A Clerkships shall be made, after advertisement, by competitive examination. Candidates must be between the ages of 16 and 17 years. The difference in age is to be equalised by marks."

St. Pancras requires " Junior Clerks to have passed the Matriculation or equivalent examination."

The Appointments, Salaries and Wages Committee of the Southwark Borough Council reported as follows: " We also feel that boys and youths entering the service of the Council should be required to possess certain educational qualifications or to pass a sort of entrance examination, and that as they grow older there should be certain technical qualifications they should be compelled to acquire, in default of which they should be compulsorily retired from the service of the Council. We feel that if the course suggested is agreed to, the Council will obtain a far greater degree of efficiency than has ever obtained before, in addition to which the status of the officer would be considerably improved.

" The present practice of officers applying for transfer from department to department irrespective of their ability to perform the duties of the particular appointment for which they apply, but tempted thereto solely by a small increase of salary, is in our opinion not conducive to efficient working of departments or the public service generally and should be strongly deprecated.

" We are of opinion that in all future appointments in the Town Clerk's office, the candidates should enter by examination or recognized educational certificates.

" We therefore suggest that promotions in the Town Clerk's office (apart from the existing staff) be granted only on the candidates holding the various certificates of the National Association of Local Government Officers."[1]

The Wandsworth Borough Council " holds no formal examination but a general all-round education is required."

BOROUGHS (NON-COUNTY)

No Borough holds any systematic competitive examination. Fifteen boroughs have some kind of examination tests for juniors entering the service.

The following remarks are taken from the returns :

" Staff too small for recruitment."

" In a general sense no educational qualifications required."

Juniors are often appointed " on the recommendation of the Head Masters of the local secondary schools."

" Vacancies are usually filled by advertising the post and selection of the most suitable candidate except where the vacancy is filled by promotion of a Junior. Actual merit is recognized chiefly and previous experience."

[1] In the Southwark Engineer's Department, " boys joining the service at £40 per annum, rising to £100, must undertake to study mathematics to duodecimals and to qualify themselves in typewriting and shorthand for promotion to the next grade." Further, " every officer commencing at £110 and rising to £200, must become efficient in the general duties of the office, to do which he must acquire a knowledge of the cost of materials, the checking of stores and the pricing and working out of trench accounts. He must have full knowledge of the Public Health Act, Building Act, Metropolitan Management Acts, and all bye-laws relating to the same, and be able to write reports from draft notes."

" For junior clerks satisfactory educational qualifications are required."

" The Town Council have not yet adopted this method in making appointments."

" Appointments to junior positions are usually made by competitive examination. All other appointments are made after interview, but without examination. In future in the Borough Treasurer's Department appointments are to be restricted to holders of the Diploma of the Institute of Municipal Treasurers and Accountants."

" Encouragement given to officials to pass examinations relating to their work, and to attend conferences of their Institutes."

" Candidates possessing degrees have an advantage."

" Some of our officials are receiving less than manual labourers in the same departments. The Corporation have passed a resolution debarring applications for increases in salary and also rejected an application for an increase in war bonus."

" Most of the vacancies for Junior Members of the staff are filled by students from the Municipal Secondary School holding Cambridge Local Certificates."

" Our staff is not large enough to involve the necessity for an elaborate organization or scheme."

" There is no established custom. Ordinary members of the clerical staffs are appointed by the heads of the various departments, and the more important officials by the various committees. Each appointment is dealt with according to circumstances at the time."

" As Margate is only a comparatively small borough the appointments to the staffs are made after carefully considering the qualifications of the applicants. In the case of the Borough Accountant's Department, which is the largest, the candidates usually have to pass an examination."

In a small borough with a population of about 5,000, the comment is : " No office staff. The Borough Surveyor also holds appointments as Borough Architect, Waterworks Engineer, Sewage Works Manager, Collector of Water Rents and Inspector of Nuisances, etc." The official's own comment is : " This is a case where the remuneration is inadequate for the training, experience and qualifications necessary to perform the duties. The office of Inspector of Nuisances should be a separate appointment, and he should be a whole-time official. There are no recognized office hours ; the officer generally works from 12 to 14 hours per day (six days a week) in order to keep his work up to date. Two weeks' holiday."

" No ; but educational qualifications are taken into consideration."

" Being a small borough, the heads of departments have no understudies."

" Small staff, so no necessity for elaborate rules or classes."

" The staffs are small ; I cannot give the numbers off-hand, and regret time is limited."

" Secondary School boys are appointed as juniors and are promoted as opportunity occurs."

In a borough with a population of about 9,000, the comment is : " The Clerk, Medical Officer of Health, Inspector of Nuisances and Housing Surveyor are the only salaried officers. There has been no vacancy during the last 20 years."

" Examination certificates not recognized pecuniarily, but taken into account on appointment or promotion."

" The staff in small towns of 20 or 30 thousand hardly comes within your scheme. The Town Council is much more in touch with officials than in the larger County Boroughs. Changes are rarely made if the official is competent, and officials rarely leave to seek promotion, i.e., in the smaller towns."

" Except in the case of the very large local authorities, I do not think it would be possible to arrange qualifying examinations for the clerical staff. These appointments are comparatively few in number, and it would be difficult to fix standards suitable to the varying conditions. I do not think the same difficulty arises in regard to competitive examinations, both on original appointment and on promotion, but it does not follow that mere examination alone is an indication of fitness."

URBAN DISTRICTS

Eleven urban districts have some kind of examination for juniors entering the service ; of these, Beckenham, Chiswick, Edmonton and Southgate have adopted the scheme drawn up by the National Association of Local Government Officers. Cleethorpes, Ilford, Shipley, Southall, Stretford, Willesden and Worksop set their own examinations.

Willesden Council, apparently alone among urban district councils, has graded the staff and instituted examinations for Junior Division Clerks and Fourth Division Clerks. Candidates for appointment must have received a good general education, and may be required to submit themselves for examination in the following subjects : (1) Handwriting, (2) orthography, (3) English composition, (4) arithmetic, (5) manuscript copying, (6) geography, (7) English history.

Candidates for appointment as Fourth Division Clerks may be required to submit themselves for examination in subjects : (1) to (4) as above, (5) book-keeping and accounts, (6) précis writing, (7) advanced shorthand and typewriting, as well as two of the following : English history, geography, mathematics, elementary science.

In other divisions it is provided that : " Candidates for appointment to other divisions may be required to submit themselves for examination in the advanced stages of subjects mentioned in the immediately preceding paragraph, or alternatively, to produce

qualifying certificates from some recognized examining body, according to the department in which a vacancy exists."

Also, candidates for new appointments under the Council may be required to submit themselves to a medical examination by the Council's Medical Officer.

In view of the returns from the larger authorities it is not surprising that the Urban District Councils have not thought it necessary to demand academic qualifications from entrants to their service.

The returns contain the following comments :

" Many departments are, so to speak, one-man departments, or one man and an office boy."

" Not at present, but the question of making use of the system of examinations instituted by the National Association of Local Government Officers is under consideration."

" Junior entrants to the service should receive a high standard of education, and should attend Continuation Classes and study for examinations the syllabus of which deals with the work that they will be called upon to do."

" Promotion is a slow business without method and only accomplished by great perseverance."

" No system adopted ; Committee concerned decides to suit itself."

" I would like to point out that Goole is not of sufficient size to justify any elaborate machinery or fixed policy in regard to most classes of its officials and employees, and that, in practice, it is found better to deal with each case on its merits than to make strict rules."

" In the larger districts the appointments are graded and specific qualifications are required for each grade, whereas n our case each officer has more multifarious duties to perform, and he is selected from his training and experience in the various duties required."

" The Council engage youths from school sometimes, and train them."

" There is a resolution about ten years old that vacancies should be filled up by promotion of the staff or otherwise by public advertisement. This is usually more honoured in the breach than by observance, to the general detriment of many members of the staff."

" The system indicated is quite satisfactory to all concerned." The system, or rather lack of it, being no entrance examination of any kind.

In a district with a population of 20,000 the comment is " The Clerk is not whole-time, but has a legal practice and other appointments. He has also a partner ; all of them at times do Council work, but are not exclusively engaged in it."

The returns as regards questions 1 and 2, i.e., entrance examination tests, are summarized in the following table ;

Authorities.	Recognized examinations for admission.	Informal tests for admission.	No examination tests.
County Councils	2	4	31
County Borough Councils ...	6 (5 " Nalgo ")[1]	7	42
London Borough Councils ...	4 " Nalgo "	4	7
Borough Councils	2 " Nalgo "	9	51
Urban District Councils ...	5 (4 " Nalgo ")	6	53
	19	30	184

Thus, in less than 25 per cent. of the authorities is there any examinat on of the entrants to Local Government Service.

Women Clerks.

In view of the importance to women of equal opportunities for employment with men in Local Government Service, I hope to deal with the matter in a separate paper, limiting myself here to a few general remarks.

Before the war very few women were employed in the administrative and clerical branches. During the war there was a large influx, and the footing thus gained has not been entirely lost. It is gratifying to note that the National Association of Local Government Officers endorses the claim for equal opportunity and equal pay for women with men in the Local Government Service.

CONCLUSIONS

The facts and comments given indicate sufficiently that the method of recruitment for and the standard of qualifications demanded from entrants to the general administrative and clerical branches of the Local Government Service have hardly kept pace with the very large increase in responsibilities placed by Parliament on local authorities.

The London County Council alone has dealt adequately with the problem, and this is due to its great size and the compact, fairly homogeneous population of 4 millions. Next in size to London, the largest authorities are the Lancashire County Council, with a population of 1.7 millions, though with an area nearly fourteen times larger than that of the London County Council; the West Riding of Yorkshire County Council, population 1.5 millions, area 1.7 million acres; and the Birmingham City Council, with a population of 919,438.

In comparison with London, not one of the other authorities employs a sufficiently large staff to make worth while the setting up of comprehensive machinery for competitive examinations on the lines of the Civil Service examinations. The County Councils Association and the Association of Municipal Corporations, if they

[1] National Association of Local Government Officers examination.

wished, could easily conduct such examinations and thus establish a suitable standard of educational attainment for the staffs of all the larger local authorities.

The technical and professional officers employed by local authorities must have passed the appropriate examinations, and thus the qualifications of these officers—surveyors, medical doctors, midwives, accountants and others—are of a sufficiently high standard, whether they are employed by a large county council, by an important county borough, or by a remote rural district. This is very advantageous to the smaller authorities, and the problem now awaiting solution is to provide that the members of the administrative and clerical staffs are as appropriately trained and have had as good opportunities of acquiring recognized qualifications as the technical officers. Scientific administration is as important and fundamental to the Service as a knowledge of medicine is to the Medical Officer of Health or of law to the Town Clerk.

The National Association of Local Government Officers attempts to supply this opportunity. At its annual conference in 1920 the Association approved an educational scheme prepared by Mr. Abbott. The scheme provides for preliminary, intermediate and final examinations, and for Associateship and Fellowship of the Association.[1] A Correspondence Institute has been organized which provides tuition not only for the Association's own examinations but also for those of fourteen other bodies, including Surveyors' Institution, Sanitary Inspectors' Association, and Institute of Municipal Treasurers and Accountants, each of which deals with aspects of Local Government work.

The National Association has circulated to all authorities its scheme for an entrance standard to the Service with a request for its adoption. This scheme has been adopted by fourteen borough councils and four urban district councils.

The Association aims to make the Local Government Service equal in importance and efficiency to the National Civil Service. As the General Secretary expresses t : " Agitation may win the Local Government officer bonuses and other temporary advantages ; education alone can give him what he rightly regards as his due—equality with the Civil Servant.[2] This may seem ambitious, desirable or rather terrifying according to one's views of public administration, but it is certainly in the trend of modern tendencies. Sir William Beveridge, discussing devolution in local authorities,[3] points out : " What is certain is that, if the Government is in future to enter more into the lives of the ordinary citizens than it did before the war, it can only do so successfully by continuing and extending the war-time policy of devolution, either to localized

[1] A Prospectus and Syllabus can be obtained from the Association at Caxton Hall, Westminster, price 1s. [2] *Westminster Gazette*, May 29th, 1920.
[3] *The Public Service in War and in Peace*, by Sir William Beveridge. (Constable). 1920. P. 58.

staffs of the central departments or to the municipal authorities as such. The latter is the more probable development ; we may look forward to seeing ever-increasing and more var ous responsibilities thrown upon local authorities and their staffs. Their work will approximate more and more to the administrative work of government departments ; similar problems will arise as to the selection, payment, terms of service, and training of the staffs."

At the moment this appears somewhat utopian. The normal course to-day is for youths to enter the service at from 14 to 16 years of age, practically untrained ; no attractions for entrance to the service are offered to men and women who have had a university training. Degree courses in public administration are taken by students in various universities and the London School of Economics offers special facilities for training in these subjects. Yearly, numbers complete their full graduate course, but it is the rarest thing to hear of their special knowledge being utilized in the Local Government Service.

The Civil Service Commissioners could also be approached with a view to a certain number of posts in Local Government being given to candidates who sit for the examination for first division clerkships.

To bring about most of the desired changes does not require legislation, and that is a most encouraging factor. Councils can at once improve the status of their staffs by adopting the examination scheme of the National Association of Local Government Officers, by allowing the junior members time in which to qualify themselves to pass higher examinations and by arranging that such higher qualifications lead to the officer being entrusted with more responsible work.

The Ball Warpers

THE POLICY OF THEIR UNIONS AND ITS RESULTS.

By J. W. F. Rowe,
Research Student.

While the numerical importance of the ball warpers is very small relatively to most other grades in the cotton industry, the history of their wages as affected by the policy of their unions is sufficiently interesting and generally instructive to merit a brief study. The facts, for example, that wages have remained at approximately the same level throughout the second half of the nineteenth century, and that the number of warpers in Lancashire[1] has remained stationary for thirty years, despite the enormous expansion of the cotton industry are sufficiently striking to demand some explanation, and as will be seen, the history of the warpers throws much light on the general question as to whether wages can be controlled artificially for the permanent benefit of the controller.

The process of warping consists essentially in the arrangement of a number of threads of yarn in such a way that they lie parallel to one another and can be separated without any fear of tangling. This is done by leading the threads from a large number of bobbins mounted in a framework, through a sort of comb, after which they are collected and passed through a small rectangular aperture and wound in the form of a skein round a large revolving drum. When the required length has been wound on to the drum, the ends are cut and knotted, and the skein is then wound off the drum by hand into the form of a ball. Hence the name ball warping, or as it used more often to be called, "mill-warping," presumably from the big revolving drum. The machine is substantially the same to-day as it was more than half a century ago, though various modifications have, of course, been introduced. To-day the length required is very much greater, and consequently the size of the drums has increased till there are now many of twenty yards in circumference and eight to nine feet high. But it is certain that we need make little or no allowance for changes in the amount of skill required.

The operatives are almost entirely men—a female ball warper is a rarity and always has been. It is most decidedly a skilled occupation, needing a man of intelligence and of education above what was the average of fifty years ago. Even given these requirements, definite teaching and instruction in the art is necessary ; a warper

[1] According to the membership figures of the Amalgamated Society. There are no non-unionist warpers, and the total number in Lancashire is about six hundred.

once said to me, " You might stand and watch me for a year and then you couldn't do it." The necessity for direct teaching is a most important factor in the case, for it has enabled the warpers to control most effectively the supply of recruits to the trade. If a warper declines to teach a learner, the employer may sack him, but he is no further towards the solution of the problem. The Warpers' Union have thus been able to enforce rigidly what was presumably in its origin a natural custom—namely, that only the sons of warpers should be allowed to learn the trade. The Warpers' Unions grew up as close corporations, and the rule has been in no way relaxed, even in recent years. When it is realized that the number of warpers in a mill seldom exceeds single figures, their extremely strong strategical position becomes apparent.

The wages of ball warpers are fixed by special lists for each firm, and as a result there have always been considerable variations. Some of these lists date back to the first quarter of the last century, and I have myself seen lists dated in the fifties. While the standard price for a given quantity has not probably altered much, there have been various allowances for special peculiarities in particular jobs added from time to time, with the result that rates of wages have probably tended to increase, though very slightly. But prior to 1892 there were no percentage variations on these lists. The ball warpers considered themselves and were regarded as a distinct class, quite apart from the other grades of cotton operatives. They took no part in the quarrels of the other sections, relying solely on their own strategical position in all dealings with the employers. Wage statistics of a reliable nature are few, prior to the 1886 wage census, and then only twenty-five ball warpers were returned. In Mr. Wood's *History of Wages in the Cotton Trade*, there are a few isolated quotations for ball warpers, but it would seem probable that most of these are quite as likely, if not more so, to refer to beam warpers. Amongst the older operatives, however, there is universal agreement that wages have altered little since their fathers started work. They will confidently assert that wages were the same in 1850, as they were in 1892, when, for the first time, the ball warpers threw in their lot with the other operatives, and under the Brooklands Agreement became linked, either with the spinners or the card-room for percentage variations. I have been able to obtain one definite and valuable piece of statistical evidence. Mr. Walter Montague, the secretary of the Rochdale Warpers' Society, to whom I am indebted for much information, has in his possession a notebook in which his father, also a warper, kept an account of his earnings and hours throughout the year 1872. From this it appears, that even when he was steadily employed, it was his regular practice to cease work between 3 and 4 p.m. on at least two afternoons every week, and that even so, his weekly earnings averaged 38s. It is interesting to note that the twenty-five warpers returned in the 1886 census, averaged exactly the same amount. In the 1906 census, two hun-

dred and sixteen warpers were returned averaging 42s., an increase of 11·05 per cent., and therefore practically the same, when allowance is made for the fact that the main lists rose about 10-11 per cent. between 1892 and 1906, and that the warpers were subject to this common rise under the Brooklands Agreement. It would, therefore, appear that the few available statistics bear out the general idea of little or no change. I am inclined to think that, at any rate not later than the third quarter of the last century, the warpers by their strong strategical position had forced up wages to the maximum which was then possible. Rather than pay more, the employers would have gone to extreme measures, and a wage of 40s., or thereabouts, combined with a general independence, and personal liberty as regards hours, meant nothing less than complete luxury to the warper, when he considered the wages earned by the bulk of cotton operatives. Even the mule minder in 1870 was not earning more than 30s. on the average. The ball warpers were the aristocrats of the industry. Why, then, did their wages not increase at any rate proportionately to the increase in average earnings from 1870 to 1892?

There can be little doubt that from an early date the ball warpers were a thorn in the employers' side. It needs no stretch of the imagination to picture the average employer in 1870, paying his warpers 40s. a week and irritated by their independence, complaining loudly, "Who will rid me of these pestilent fellows?" The machine inventor caught up the cry, and the new process of beam warping was introduced as a competitor. Beam warping certainly existed long before this date, but the machines needed many mechanical improvements, and it does not appear that beaming began really to supplant ball warping in the "grey" trade till about 1870-5. In beam warping a large number of bobbins are fixed in a V-shaped frame, and the ends are led through various combs, so that they lie perfectly parallel, and are wound off, in the form of a sheet of threads, on to a warper's beam, which is a long cylindrical drum with deep flanges. As the number of threads required for the warp of most ordinary kinds of cloth exceeds 2,000, it is not possible to construct a machine which will wind off this large number at once. Hence a number of beams have subsequently to be combined, and as many as ten may be fed together into the sizing machine which performs the next operation. The beaming machines are generally worked by men, one man to two machines, but where women are employed, though there is the same list rate for both sexes, they only have one machine each, as a rule. The process is much more rapid and cheap than the making of balled warps, especially where there is mass production of a particular type of cloth, and for the last twenty years it has completely ousted ball warping from the ordinary "grey" trade.

But the ball warpers might still have been in great demand, for the cotton industry was growing enormously between 1870 and 1900,

and they would have had ample scope, even though confined to the coloured trade. Unfortunately for them the machine inventor introduced sectional warping which was gradually adopted more and more widely. Beam warping could not be applied to the coloured trade, since the threads have to lie in a particular sequence according to the pattern, and it was therefore impossible to combine a number of warpers' beams in order to get the full number of threads required. In sectional warping the bobbins are put in the same sort of V-shaped frame ; the ends are then led off in the correct sequence of colours, but the combs are very much finer, so that the threads lie much closer together, with the result that the full number of threads required per inch are wound off, but only a section of the full width of the warp is obtained. Four or five of these sections are then put together, and wound off on to a warper's beam. The machines are worked almost entirely by women. As with beam warping the process tends to become proportionately cheaper than ball warping according to the degree of mass production required. This is one of the big factors which have militated against the universal adoption of sectional warping, for at any rate in a large section of the coloured trade there is no mass production in the ordinary sense of the term. Another of these factors is that certain classes of heavy cloths require a large amount of size on the warp threads, and this can be done better with balled warps. There is therefore no hard-and-fast rule as to whether a manufacturer makes sectional or balled warps. For certain purposes and under certain conditions the balled warp is still superior to all kinds of sectional warping and will remain so until the advent of another, so to speak, completely " revolutionary " invention.

As has been said, the coloured trade generally does not allow of the same degree of mass production as the grey trade. Hence, while in days gone by when the ball warper reigned supreme, he was continuously employed because warps were made for stock, the result of the introduction of these new processes has been to render the trade more and more casual. The tendency has been increasingly to make warps only to order. There can be no doubt that it is the competition of these new processes which has so weakened the strategic position of the ball warpers as to prevent them from raising their wages proportionately to the average increase. The very fact that they threw in their lot with the other operatives in 1892 would seem to indicate that they realized that their grip on the employers was weakening and that the time had come when they would gain more by combination than by a policy of independence. While to-day it cannot be called a dying trade (indeed, the war gave it a new lease of life) there is nevertheless a note of regret in the voice of older warpers as they look back to the greater glories of the past.

There can be no doubt as to the fact that the warper of to-day is less continuously employed and less highly paid relatively to the bulk of cotton operatives than was his father or even his grandfather ;

but it is not easy to give a comprehensive answer as to the extent of the causal connection between these facts and the exclusive and independent policy of the warpers' unions. It is certainly wide of the truth to say that if such a policy had not been put into practice, ball warping would still have been the only method of preparing warps. Beam warping would have come in sooner or later as the cotton trade expanded and as mass production methods were developed more and more in the grey trade. It is altogether a simpler and more economical process. In the coloured trade, however, there can be little doubt that the introduction of sectional warping was hastened by the employers' desire to dispense with the ball warpers, arising partly from a simple feeling of irritation, but also because ball warping and the subsequent processes of splitting and dressing were an expensive method of preparing the warp. Employers were eager to try any new method, and they must have lost a large sum of money in making these experiments. For example, one firm not far from Heywood, took out all their warping mills and substituted section frames. After a year's trial they found that sectional warping was not suitable to their particular class of work : away went all the section frames and they decided to buy balled warps on the market instead of making them. Whether on balance the financial loss was a good thing in that it hastened the introduction of processes more efficient for certain purposes, is a matter on which it is impossible to give an opinion.

From the point of view of labour, however, the result of the union policy on wages must be regarded as beneficial. For, perhaps, fifty years the wages of ball warpers were maintained artificially at a very high level and subsequently there has been no decrease. The introduction of competitive processes was gradual, and the expansion of the industry was such as to prevent any surplus of labour. The unions recognized in time that the day of monopoly was over, and by standing in with the rest of the cotton operatives they have been able to benefit by the general advance which has taken place since then. They are still one of the best-paid grades in the industry, and from the point of view of wage rates their policy has been most successful. But from the point of view of earnings they have gradually suffered more and more through the increasingly casual nature of their employment. We have already referred to one side of this—the intermittency of the demand for their labour. The other side is that with the introduction of sectional warping first in one mill and then in another, they have been forced to change their employers time after time, and to move to work wherever it may be found. A warper of my acquaintance has lived seventeen years where he is now, but during all that time he has only worked four years in the immediate neighbourhood. The average warper to-day may move his home over half the towns in Lancashire during his life-time, a matter involving much expense and continual periods of unemployment, as well as the intermittent character of his em-

ployment when he is in work. It is in these respects, rather than by a comparison of rates of wages, that the effects of the policy are seen, though in a comprehensive judgment of its efficiency, it must not be forgotten that these disadvantages would have come about anyway, on the assumption that in any event the new processes would have been introduced sooner or later.

Cabinet and Party, 1914-21.

By Herman Finer.

It is never too early to make an estimate, so long as it is plainly realized and frankly acknowledged that the estimate does not represent the complete finality of judgment. All who attempt a periodical survey of the state of an institution are assuredly obliged to make such an acknowledgment, and the obligation becomes the more severe when the institution is greatly dependent for its form, its powers, and its place in the background of a whole system, upon the force of shifting political circumstances and the varying characters of the men who, for the time being, are the living substance of the institution. And of all our institutions, none is so dependent for its meaning upon the colour of the times and the characters of men, as the Cabinet, the " keystone of the arch," as Lord Morley has called it. This is why, in describing the Cabinet system, Bagehot, Dicey, Sidney Low and Lord Morley constantly bid their readers remember that what they say may not have been true yesterday, nor will it necessarily be true to-morrow : it represents, as far as information goes, something *approximating* to the truth to-day.

In all governments there is the necessity for some thinking and acting body. Whatever the body, single or several, hereditary or elective for a period generally less than life-time, in whatever manner elected or selected, a central machine, a core of thought and will, is necessary, and is, indeed, in existence in every country. This position of prime mover in government in England was held in 1914, and is still held, by the council of politicians called the Cabinet. Originating in the time of Charles II, given form and made to set firm during the reign of William III and the period of office of Walpole, now strong against George III, now weakened by his " friends" and a corrupt Parliament, it emerged in 1832 as the link between the offices and executive power of the State and the House of Commons. It was in this capacity of a link, or *buckle*,[1] that Bagehot found its essential significance.

Now it is upon the nature of this buckle that any study of the place of the Cabinet in English government must depend. The true nature, and, from the practical point of view, the most important interpretation, of this buckle idea lay in its expression of the truth that the Cabinet did not move within an orbit of power defined by itself alone, but was held in check by, was tethered to, the will of another body, the House of Commons. There were limits to its discretion, and the limiting body was elected by a certain number of people. Therefore, the ultimate limiting power lay with the electors. A judgment on the value of the Cabinet lay then, and lies

[1] *English Constitution*, p. 14.

now, finally, in a consideration of the relations between the three bodies, Cabinet, Commons, and the electors.

At the risk of an undue simplification of the various factors, it is worth while working out the position of the Cabinet from first principles. It is usually said that English government is responsible government. What does responsibility in government mean? Broadly, perhaps, that only those men wield the power of government who have the acquiescence of the majority of the people in their tenure of office. And the ultimate right of a people who say they are living under a responsible form of government is to be able to ask of their governors, " Who did such a political act ? " and " What were the reasons for such an act ? " But it would be useless to have the right to ask these questions if statesmen could not be compelled to answer and offer a justification. It would be useless to ask the questions and hear the justifications if those who ask had not also a remedy against those whose answer was unsatisfactory. One is then thrown back on the further problem: What are the means to making the right to question effective as a controlling force on governors ?

Mere moral responsibility is insufficient : for, in the records of government, the conscience of statesmen has not proved to be sufficiently pricking, nor the intellect so commanding, that an exoteric check was unnecessary. There is, secondly, the ancient check of impeachment. This is plainly unsatisfactory as a remedy against political ministers ; for the possibilities of error are so great in modern complex communities, that to place a council of statesmen at the mercy of legal actions with severe penalties is to stop any action the result of which is at all speculative, and finally to drive creativeness out of public life.

The third remedy is what may be called the means of political responsibility. It consists in the termination of power, and dismissal from office, of the statesman whose justification of his conduct is insufficient. Sidney Low, in his acute and eloquent *Governance of England*, makes light of this check.[1] He says, " Politics, pursued in our modern, gentlemanly, sportsmanlike fashion, carries with it no painful penalty for the politician who loses ; he does not play for his head, or his fortune, or even his reputation. The worst punishment Parliament or the electorate inflicts upon the minister who has forfeited its confidence (beyond the loss of a salary which he is often too wealthy to miss), is that of sending him back to his friends, his estates, his sports, his studies, and his recreations." But this surely does not allow sufficient weight to the whole complex of motives which drive a man or woman into politics : let us say a strong impulse of duty to society (or " other people," as Lord Morley somewhere defines it), a strong disposition to " give the lead " to other people, a sense of power, a desire for power and the tumult of business, an itch for fame with the half-conscious memory of the

[1] *Op. cit.*, p. 152.

life of some revered statesman of the older school, or deep-felt allegiance to the doctrines and tradition of a political party. Take any or all of these factors, make one or all a strong urge in an individual's life, then threaten to baulk the free action of that passion, and is there not surely a potent regulator of the statesman's action in politics? What person, having read the memoirs of any one of our major politicians and the letters written to and by him, and having read, too, the Parliamentary debates on critical occasions, can doubt that the threat of removal from office is an effective means of control over a government submitted to such a check?[1] The words of Lord Aberdeen, after his Premiership of 1852-5, express to some extent our sense of the nature of this political check: "A prime minister is not a free agent. To break up a government, to renounce all the good you hoped to do and leave imperfect all the good you have done, to hand over power to persons whose objects or whose measures you disapprove, even merely to alienate and politically to injure your friends, is no slight matter."[2]

This means, then, with a fair average level of morality on the part of people and politicians, offers a tolerably efficient check upon the political directors of the country. But the mere existence of this check has to be related in some way to the controlling factor. If we take the Cabinet as a buckle on one end of which there is the executive force of the country, what hangs on at the other end as the controlling factor? Now Bagehot and Lord Morley both said that the House of Commons pulled the other end of the buckle, that the Cabinet held its power only for so long as it retained the confidence of the House of Commons, and this is true to-day: it pays no ministry to ignore its majority. But it is not the whole truth. Bagehot already noted in 1865 that the Cabinet possessed the prerogative of dissolution, that it could "destroy its creators."[3] It therefore had a means to the coercion of its creators to the end that it might wring an expression of confidence (either in direct vote on the general policy of the Government, or on a Bill) from them. And since Bagehot's time that power has become stronger and the Cabinet and Commons more conscious of its existence and effect. For the growth of the electorate in 1867 and 1884 to about four million has had three important concomitants. In the first place, in 1868 Disraeli began the practice of resigning office after a defeat at a General Election, without meeting Parliament. This, says Francis Holland, "was the first open acknowledgment of the truth that a Ministry in reality derives its commission from the electorate."[4] Secondly, because

[1] Cf. *Life and Letters of Macaulay*, Trevelyan, p. 289. (Nelson's Edition.) Macaulay notes the ejection of Palmerston from the Foreign Office and a meeting with Lord Granville who was expected to succeed Palmerston. "He told me that anxiety had kept him awake two nights." [2] Cf. *Life of Gladstone*, Morley (Lloyd's Edition), Vol. II, p. 18. [3] *Op. cit.*, p. 15. [4] May's *Constitutional History of England*, Vol. III, p. 75.

power was seen to rest with the electorate, the House of Commons became less important as the ultimate controlling factor over governmental policy, and ministers began to shift the direction of their appeal. With the models of the out-of-doors agitation that won Catholic Emancipation, the Reform Act of 1832, and Free Trade before them, they went " on the stump " for majorities ; they asked direct the confidence of the electorate. Thirdly, to make certain of the new power outside the House of Commons, the Conservatives in 1867, and the Liberals in 1877, set themselves to the creation of the Caucus, the organization of local associations to which they could address their appeals, and from which they could derive the promise of support for their candidates and consent to their programmes. Mr. Chamberlain looked to the support of the " parliament outside Parliament " for the strength of his place in the governing council, and Lord Randolph Churchill attempted the capture of the Conservative organization in order to " break into the Cabinet with a most ingeniously contrived set of house-breaking implements," his policy of Tory Democracy.[1]

Altogether, then, the outstanding men of the political parties in the country, backed by a powerful organization and funds, went to the country as the pre-ordained rulers in the Cabinet and added to their power of annihilating their creators (the Commons), the power of *creating their creators*.[2] Nothing is better illustrative of this development than the speech of Mr. Lloyd George on November 24th, 1918, during the General Election campaign. He commended his policy to his audience and dealt with the difficulties of executing it. He said :

> We cannot do the work without your support. You must have a Parliament that will see these plans through. . . . It is no use asking any Ministers or any Government to undertake this task unless the nation is behind them, and makes it clear by its vote in this election that it is behind them. . . . To deal with these difficulties, which I can see quite clearly, it is no use having a small majority—and I tell you what is worse than a small majority : an unreliable majority, a majority that is not quite sure what it will do, about which you are not sure when you are in difficulties, that it will not turn on you. . . . You must have a reliable majority, otherwise you cannot do this business, and when I am talking to you I am talking to the nation from one end to the other in so far as it can hear me . . . I am told that we ought to accept candidates who are chosen by caucuses without demur. I see that stated this morning, but I think we are entitled to know something about what these men are going to do. No one will attempt to dictate to the constituencies, and if you get any letters signed by Mr. Bonar Law and myself, they are simply the expressions of our opinions as to the men who will give steady support."[3]

That, so far, is the culmination of the new style in the link between the people and the Cabinet. The House of Commons is made to the order of the *aspirant* Cabinet ; its time is commanded by the Cabinet ; instead of making petitions to the House, powerful industrial groups

[1] *Portraits of the Nineties*, E. T. Raymond, p. 103. [2] Dicey, *Nineteenth Century*, January, 1919. [3] *Times*, November 25th, 1918.

make their petitions to Downing Street, and settle the terms of legislation there. Bagehot's *English Constitution* concludes with this footnote: "So well is our real Government concealed, that if you tell a cabman to drive to 'Downing Street,' he most likely will never have heard of it, and will not in the least know where to take you." Is there a taxi-man so dead of soul that he knows not that insignificant looking ark of all the mysteries and powers? The Press and the cinema leave him no chance of illusion about the importance of No. 10.[1]

Under this system what are the conditions necessary to the successful operation of popular control? There are two elements in the problem of first-class importance. In the first place, since the Representation of the People Act of 1918, the electorate is swollen to something over 17,000,000 men and women. It is, perhaps, not exaggerating to say that seven-eighths of these electors are neither sufficiently informed nor sufficiently free from domestic and business cares to take an intelligent interest in the political problems with which the nation, as a whole, is faced. "Those who doubt should go out into their kitchens." About one-half of this number have never had a vote before 1918. Yet the electorate can only become an effective force by being able, as well as by being willing. Their lack of ability can only be made good in the present state of education and adult ignorance, where the ruling body of men are well known and their principles are made simple to the understanding and definite in their intended application. There is not room in the political scheme for ambiguity and vagueness about the men asking for power, and popular control. Nowadays, a puzzled electorate is an impotent electorate.

In the second place, no one who has studied the working of the referendum in Switzerland and the State governments of the United States of America would hesitate to reject the suggestion that there should be a referendum in the United Kingdom on every measure of outstanding importance. Yet the House of Commons and the Cabinet hold office for from three to five years, and it is generally admitted that during the period important issues may arise upon which the people have not been consulted. What, then, is the alternative to the use of the referendum? This, that the body of men who are responsible for the government of the country shall be of a definite and single habit of mind, or political outlook, in order that the electorate can trust them to deal with contingencies arising during the course of office, in the same sense as they would probably choose if the subject were put to direct popular judgment. On these grounds it is true to say that there can be no calling to account and fixing of responsibility unless the ruling organization, at the head of which is the Cabinet, is specific in its promises, definite in its aim and outlook, and clearly apparent.

[1] Note the complaints of members of the House of Commons about "cinema propaganda," *Hansard*, Vol. 149, cols. 156 and 227.

What arrangement among men can secure to the electorate the conditions already determined? An analysis of the experience of English politics up to 1914 helps towards a solution. The Cabinet's position and powers were based upon a traditional code of political behaviour built up by generations of statesmen from the middle of the eighteenth century. The articles of the code were a little vague and elastic. But perhaps the most fundamental and definite of those articles was the convention that the Cabinet was a unit, that though consisting of several members, twenty-three in 1914, it was *collectively* responsible for its policy. As Lord Morley has said, " The first mark of the Cabinet, as that institution is now understood, is united and indivisible responsibility."[1] Only by thinking and acting as a unity could the authors of the country's state be pointed out unmistakably and with certainty. One of the reasons for a " one-man executive," a President, in the United States of America was the wish to be able to detect definitely the author of a political act. The reasons given for the creation of the one-man executive in America are also the reasons to be properly advanced for the convention of unity in the Cabinet. The argument ran thus :

> One of the weightiest objections to a plurality in the executive is that it tends to conceal faults and destroy responsibility. . . . The multiplication of the Executive adds to the difficulty of detection. . . . It often becomes impossible, amidst mutual accusations, to determine on whom the blame or punishment of a pernicious measure or series of pernicious measures, ought really to fall. It is shifted from one to another with so much dexterity, and under such plausible appearances, that the public opinion is left in suspense about the real author. The circumstances which may have led to any national miscarriage or misfortune are sometimes so complicated that, where there are different kinds or degrees of agency, though we may clearly see upon the whole that there has been mismanagement, yet it may be impracticable to pronounce to whose account the evil which may have been incurred is truly chargeable."[2]

Morley, Bagehot, Low and Maitland insist on unity of the executive. Maitland goes further and points out the convention of party government ; he uses the term " political unanimity."[3] And Low says, " It would be nearer the truth to say that the Cabinet is a committee selected by one member of one party in Parliament from among other members of the same party."[4] But neither Maitland (who was not, of course, dealing with the operation of the constitution) nor Low attempt to explain why there should be unity of the Cabinet based upon the unity of party. Yet this is a vital point. It resolves itself, in the first place, into the fact that unless there is unity of party, " political unanimity," there can hardly be Cabinet unity. For parties in England have meant something. Each of the two historic parties, Liberal and Conservative, in spite of changes of doctrine and periodic transformations, has had definite and revered

[1] *Walpole*, p. 156. [2] *The Federalist* (Everyman Edition), Essay No. LXX, p. 361. [3] *The Constitutional History of England*, p. 395. [4] *Governance of England*, p. 20.

traditions, a distinct political temperament and a distinctive standpoint. The organization of each has been continuous, and the mantle of the party prophets has been a thing of moment, the succession thereto and the wearing thereof jealously guarded. Each party had its own view about the content of human nature and the ideals to which it worked. The difference between the parties was sufficient to make co-operation in the supreme councils of the nation impossible, to make any Cabinet based on the members of the two parties "a system of counter-action . . . inconsistent with the prosecution of any uniform and beneficial course of policy."[1] The Cabinet could only say the same thing when it "meant the same thing":[2] it could only probe fearlessly into all the consequences of any promises it made to the electorate when its members were bound together by the possession of the same political principles. For the essential of success in parliamentary government is certainty and vigour in the body proposing a policy, and this demands unity. When men are not of the same mind fundamentally, they will not probe to the core of their problems in common council, for the fear which lurks in their minds that if they say such and such a thing is consequent upon their argument, division will become apparent, and weakness in debate and execution confront them. Look through the memorials of statesmen at critical periods in the Cabinet and note the tension and the groaning of the machine, as this minister and that searches his own conscience and intellect for assent to a measure. And take particularly the transactions of Sir Charles Dilke and Mr. Joseph Chamberlain before they agree to enter the Gladstone Cabinet: they foresee that their Radicalism will not mix with the Whiggism already in it. And if difference can become so intense within the bosom of one party in the Cabinet, how much the more have we reason to expect it where two or more parties say that they will co-operate in supreme council?

Then, too, political unity of the Cabinet has its vital roots in the needs of the modern electorate. For how can such an electorate exercise its selective functions without a clearly visible party, a known entity, alone the author of the policy before Parliament, and recognizable at successive elections as the body which made certain promises, fulfilled them well or ill, and to be given a new lease of life or thrown from office?

Until 1874 the two-party system, broadly, of Liberals and Conservatives, linked the people with the final powers of decision in national policy. No one pretends that there were no faults, and that all worked with precision. There were revolts, schisms, purges. But, broadly, two creeds, two policies, and two traditions stood opposed. The party in Opposition promoted, by its questions and criticism, deliberation and circumspection, and served to

[1] *Canning and His Times*, Stapleton, quoted by Todd, *Parliamentary Government in England*, Vol. I, p. 259. (Spencer Walpole's Edition.)
[2] Cf. *The Great Society*, Wallas, p. 261.

check excesses in the majority supporting the Government. From 1874 there was a slight weakening of the system through the disintegrating influence of the Home Rule struggle, "Tariff Reform," progressive taxation, and the rising question, destined soon to be the most important of all causes of division of parties, of social and economic reform which gave rise at the beginning of the century to a third party, the Labour party. The 1906 elections gave the Liberal party the governing power when supported by the Labour members and the Irish Nationalists. Then, as social and industrial forces were ripening for a destruction of old party alignments and creeds, as the right of the party in power to use the armed forces to enforce the execution of the law (the 1914 Home Rule Act) it had made was being denied, and as the ancient but, by convention, unemployable power of the Crown to refuse assent to a law passed by Parliament was being invoked by members of the defeated party,[1] the war broke out.

The war had an immediate effect upon the organization of the Cabinet system. The conventions of Cabinet government had assumed the possibility of more than one direction of the country's political life : therefore, an Opposition. But in war there were no alternatives ; there was no argument, with peace-time sincerity, over the pennies more or less in the pound of direct taxation, no disputing the numbers of the military forces, or of the civil servants. There was one paramount social expectation—" prosecution of the war to a successful conclusion " (hopeless and barren phrase !) at any cost. Before a foreign enemy the nation was almost a single public : and its representatives were *all* its most capable statesmen. In 1915 the Opposition was silenced by the inclusion of its leaders in Mr. Asquith's Cabinet. It was the first breach in the party system ; political unanimity of the old style was lost. In a letter to the Chief Liberal Whip Mr. Asquith pointed out that, " The transformation implies a temporary abandonment of the system of party government which has ever since 1832 dominated our political arrangements and which I hold to be, under normal conditions, the best adapted to our national requirements. There is one reason and one only which could justify or explain such a new departure—a clear and urgent case of national necessity."[2] The Cabinet consisted of twenty-three members, " a noun of multitude indeed, and a noun not wholly favourable to that concentrated deliberation which was possible when Pitt had first six, then seven colleagues, Peel twelve, and Gladstone fourteen."[3] A War Committee was, therefore, formed within the Cabinet, on the model of the usual *ad hoc* committees, but its decisions had to come before the whole Cabinet for ratification. The alleged slowness of the Government in adapting the resources of the country, during 1915 and 1916, to the ends of the war, was said to be due to the temperament of some of its members

[1] Cf. Wallas, *Our Social Heritage*, Chapter x. [2] *Times History of the War*, V c. 90, p. 316. [3] *Notes on Politics and History*, Morley, p. 3.

and to the clumsy method of attempting to think and decide in a large council. Particularly was the Cabinet accused of not being able to think ahead.[1] Towards the end of 1916 a " dictator " was called for. " The time imperatively calls for government by a single man, assisted by the ablest experts . . . a dictatorship . . . is inevitable . . . The logic of events must place the conduct of the war into the hands of a single man, although his supremacy may be disguised by giving him a number of colleagues who in reality should be his subordinates."[2] In December, 1916, Mr. Lloyd George replaced Mr. Asquith at the head of a reconstructed Coalition, and from this moment the old Cabinet system was in abeyance.

A War Cabinet came into being :[3] and a distinction was made between this body, on the one hand, containing the Premier and four or five other members without any administrative duties, all, save one, ministers without portfolio but concerned with the supreme direction of the war, and on the other hand, the ministers in charge of the Departments of State. " You cannot run a war with a Sanhedrim," said Mr. Lloyd George. " That is the meaning of the Cabinet of five, with one of its members doing sentry duty outside, manning the walls, and defending the Council chamber against attack, while we are trying to do our work inside."[4] The War Cabinet no longer had constant close relations with Parliament; its members, and especially the Premier, came to the House only to answer the most important attacks on their position. The member doing " sentry duty outside," was a new creation (the Premier being a commoner), the Leader of the House of Commons, Mr. Bonar Law. The War Cabinet was advised by the Departmental and outside experts. One of its members, General Smuts, was not even a member of the House of Commons. From afar it sent its orders to the Departmental ministers. These took on the character of under-secretaries, for they frequently needed to refer back to the War Cabinet for final answer to a Parliamentary question. Some of the Departmental ministers were " business men," with no experience of Parliament, perhaps contemptuous of it, often reproaching each other before the House for encroachments of their respective spheres of authority, and blaming each other for maladministration. There was no one Cabinet for them in which to make up their minds to do and to say the same thing.

In the War Cabinet, the old secrecy of Cabinet proceedings was dispelled. Minutes were kept for the first time, perhaps a good innovation, for as Lord Curzon said in the House of Lords, " cases frequently arose when the matter was so much left in doubt that a minister went away and acted upon what he thought was a decision which subsequently turned out to be no decision at all, or was repudi-

[1] See *The Tragedy of Lord Kitchener*, Esher, p. 199. [2] *Fortnightly Review*, January, 1917, pp. 22-3. [3] Cf. War Cabinet Reports, 1917 and 1918, Cmd. 9005, and Cmd. 325. [4] *Hansard*, December 19th, 1916, col. 1342.

ated by his colleagues."[1] Secrecy had favoured candid discussion in the old united Cabinet, but in a complex society records are important and must be kept as a safeguard against lack of interest and straying attention. A Secretary attended the War Cabinet for the first time in Cabinet history. Files were sent to the Departmental ministers most concerned and weekly reports to Departments affected by War Cabinet decisions. A War Cabinet Secretariat arose to prepare agenda, reports, to circulate documents on inter-departmental matters and to co-ordinate ministerial action. A special personal Prime Minister's Secretariat (as in France in normal times) was established to enable him to co-ordinate decisions.

But proper co-ordination was impossible, because there was such a flood of business, and criticism of the system began to come, on the one hand, from people who saw the old essential convention of unity of the Executive disappearing under the mutual recrimination of erring ministers, and on the other, from those who saw that the claims to greater efficiency were not realized.[2] By June, 1918, criticism forced the formation of a Standing Committee on Home Affairs,[3] consisting of all ministers outside the War Cabinet, met for all questions requiring co-operation. Its decisions were sent to, and sometimes revised by, the War Cabinet.

By November, 1918, the Prime Minister stood apart, towering above his colleagues, and allowing the Leader of the House to stand the brunt of Parliamentary criticism. Strange to say the General Election in the December of that year did not see the war Coalition resolved into its components, though it was no longer " unpatriotic " to criticize the Government, and though for the reconstruction period ahead, there were obviously numerous alternative policies from which the best could only be chosen by criticism and political strife. The election returned the war personnel at the helm. The system of non-Cabinet government was resumed, but the House of Commons became restive at the Prime Minister's speech from beyond the veil, and pressed for the return to the pre-war Cabinet system. In October, 1919, the War Cabinet system was replaced by the full Cabinet system, with twenty members.[4]

Certain of the characteristics of the war system still remain. The Prime Minister still occupies a position very similar to that of the President of the United States of America in that he seldom takes his place on the floor of the House. His deputy leads the House and defends the policy of the Government. This will probably be a permanent feature of the English Parliamentary system, because Prime Ministers in the past have often complained of the physical and mental strain put upon them by attendance in the House as well as supervision of the general policy of the Cabinet.[5] The Secretariats

[1] House of Lords Debates, 5th series, Vol. XXX, June 19th, 1918., col. 266. [2] *Ibid.*, cols. 239-287. [3] War Cabinet Report, Cmd. 325, 1919, pp. 4, 5. [4] *Hansard* of October 27th, 1919, col. 271, *et seq.* [5] Cf. e.g., Morley's *Gladstone*, Vol. II, p. 221.

still function, and the minutes of the Cabinets are taken. Again, the war period and its problems impelled the Prime Minister and the Cabinet towards a more frequent reliance upon a system of Committees within the Cabinet, for careful, searching, dispassionate discussion of plans was necessary. Since about the middle of the nineteenth century the Cabinet Committees had been a reality, and important subjects of policy had been handed over to a few members of the Cabinet for discussion and thought preliminary to general discussion by the Cabinet as a whole.[1] For example, Sir Charles Dilke mentions that in 1883 a Committee of the Cabinet was appointed to deal with affairs on the West Coast of Africa ; that in 1883 there was a Committee of the Cabinet on Local Government ; and that about the same time there was a meeting of the Committee of the Cabinet on the Franchise Bill in Mr. Gladstone's room.[2] In the debate on the continued existence of the War Cabinet organization in June, 1918, Lord Curzon said, " My noble friend Lord Lansdowne spoke in general terms about the process of devolution and delegation that is always going on in Cabinet government, and which I think he was anxious to see developed in the working of the present system. Delegation has been a part, I believe, of the system of every Cabinet that has existed in this country during the last century, but it has been developed to an enormous degree under the system which I am describing. The War Cabinet Report for the year 1918 supports this statement by its assertion (p. 5) that some of the Committees of the War Cabinet "originally established for the purpose of particular investigations, met so frequently as to fall almost into the category of Standing Committees." In October, 1919, during a great debate on Economy,[3] Mr. Austen Chamberlain mentioned the existence of a Financial Committee of the Cabinet, " the proper Cabinet instrument for the careful survey of finance," and about a year afterwards the Prime Minister told the House that Cabinet Committees on Housing and Unemployment were continuing their labours, the latter having submitted an interim report to the Cabinet.[4] With the enormous amount of work on the shoulders of the Cabinet ministers, this system of delegation of business to committees is likely to become of immense importance. For the detailed and complex work of the Departments is too prodigal of the individual minister's time to leave him sufficient for "miscellaneous activity,"[5] and not all ministers are interested in all measures.

Perhaps the most important of the characteristics of the war system still remaining is the confusion of the party system. The Election of 1918 saw an onslaught by the war coalitionists on the old party organizations, which, whatever their evil, had provided

[1] Cf. Todd, *op. cit.*, Vol. II, p. 6. [2] *Life*, Gwynne and Tuckwell, Vol. I, p. 535, and Vol. II, pp. 2 and 11. [3] *Hansard*, October 29th, 1919, col. 744. [4] *Hansard*, October 19th, 1920, cols. 756, 757. [5] *Notes on Politics and History*, Morley, p. 3.

centres of thought, loyalty and criticism. The Liberal party was practically extinguished in representation as an independent entity, and the Labour party had such small numbers that their opposition was far from formidable. Students, anxious for the future, and looking to available signs could perhaps discern the possibilities of the ruthlessness of power when exercised in the name of an enormous majority. The Liberals and Conservatives within the Coalition have frequently rejected the idea of "fusion" and "closer co-operation," and, indeed, have constantly insisted upon their distinct entity. To the ordinary citizen the old party divisions have been blotted out, and few people know to which of the representatives of the older creeds blame or praise should be attached. What sort of control can the electorate be expected to exert in a future General Election? If there is a realignment of parties, which men can speak out honestly on the true responsibility for the way in which Foreign Affairs, Unemployment, Housing, Agriculture, Russia, Egypt, and the general economic position have been dealt with? There has been a *plurality* in the executive, a system of counter-action has been at work and even the men of both wings of the Government look forward to the re-introduction of political unanimity and Cabinet unity. Lord Salisbury, after signalling the vacillation of the Cabinet, looks forward to a Unionist Government, "that is, a Government of steadfast policy and settled principles."[1] Lord Derby talks of "indecision, too much tendency to drift, to put forward a policy and withdraw it," and asserts that, "the next election, whenever it came, could not be fought on the lines of the old election. Coupon signatures would have to go."[2] Lastly, Lord Grey described the situation correctly, looked at from the point of view of the efficient working of Parliamentary government, when he said, "But they (the members of the Coalition Government) are men who before the war had no common grounds of politics, no common conviction, no common set of principles, nothing which ordinarily brings people together in a Government; and the result has been that a Coalition Government, justified for the purposes of the war, has found itself in time of peace without any settled policy."[3]

There are serious problems ahead in the government of the United Kingdom, and in the settlement of these problems it is surely a necessary and a good thing that the electors should have a share in the selection of the men set to solve them. Both theory and the practice of government in the United Kingdom would seem to show that, to this end, a return to continuously intelligible parties and politics is necessary. The content of the party gospel may, we hope, be new, in accordance with the problems of our age: but it must be definite and affixed to a continuous organization. There is much reason and truth in the dictum that "England does not love coalitions." Her electors are easily puzzled.

[1] *Times*, June 20th, 1921. [2] At Southport, July 9th, 1921. [3] At Berwick-on-Tweed, October 10th, 1921.

Studies in Probability

I

PROBABILITY

By A. Wolf,

Professor of Logic and Scientific Method, University of London.

The publication of Mr. J. M. Keynes's *Treatise on Probability* is likely to stimulate a certain amount of new interest in an old problem, and the *Treatise* itself may well become the centre of future discussions of the questions with which it deals. Its critical examination of various views, its comprehensive grasp of the many-sided issues involved, its survey of the literature of the subject, certainly qualify it to serve as a point of departure, not to say storm-centre, for future discussions. Those who are helped by the formulation of problems in mathematical notation will find the *Treatise* particularly helpful. Otherwise, however, the book does not appear to advance its subject very much, and the author himself does not profess to be too sanguine about his views. It would be extremely difficult to deal adequately and critically with such a substantial and many-sided work as the *Treatise on Probability*. But it may be of sufficient interest to explain the fundamental problems of Probability on their own merits, yet in such a way that a reader acquainted with Mr. Keynes's *Treatise* may easily note points of agreement and of disagreement.

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What is meant by Probability? The term is used to describe the character of certain judgments usually known as problematic judgments and commonly expressed in the propositional form "S may be P," or "S may not be P." We judge, for example, that "Smith may pass the examination," or that "Jones may not be well." Such judgments are obviously different in some respect from the kind expressed in "Smith is sure to pass," or "Smith has passed," or "Jones is well." In what way are the two sets of judgments different? One obvious difference is to be found in the sense of uncertainty which haunts the first set of propositions, in contrast with the sense of certainty which characterizes the second set. Broadly speaking, the element of uncertainty may be said to be the characteristic feature of problematic or probable judgments. Hence Probability is frequently said to be concerned with degrees of certainty in our judgments. But this may be misunderstood.

Certainty, or uncertainty, may originate in different ways. It may be the result of the moods and dispositions, hopes and fears, habits and prejudices of the individual judging. These are sub-

jective factors which vary from individual to individual. Some people confidently expect a certain event merely because they wish it to happen, and they are sanguine by temperament ; others may be extremely uncertain about the same event, either because they are not keen about it or because, although they really are keen, they have the morbid habit of expecting the fates always to thwart their wishes. One person feels certain that Christianity is the most perfect religion, and England the most perfect country ; another is sure that Islam is that perfect religion, and Egypt that perfect country—and in either case the certainty may only be the natural product of non-rational influences of early environment. An educationist is reported to have asserted recently that a feeling of loyalty should make every student and teacher regard his college as the best. This is rather rough on those who happen to be connected with two or more colleges at once, to say nothing about those who cling to the ideal of universally valid judgments! Warm hearts do not always go with cool heads.

In contrast with such merely subjective causes of certainty, or uncertainty, there are objective or logical grounds on which certainty or uncertainty may be based. They are the kind of grounds to which we usually appeal when we try to convert others to our views, and do not rely entirely on our powers of bullying, or our skill in coaxing. Euclid's *Elements of Geometry* is a familiar storehouse of such rational grounds. The argument proceeds coolly, makes no appeal to passion or prejudice, and is rather repellent to those who are even mildly hysterical. Of course, even reason may be, and often is, tinged with emotion. There is an intellectual emotion which sustains the arduous labours of even Dry-as-dust. There is even the emotional vanity of the man of science tempting him to cling to his hypothesis because it is his. But the distinction between subjective influences and objective grounds is sufficiently clear. Everybody appeals sometimes to such rational grounds. Some even maintain that man only rises above his humbler kinsmen in the biological scale in so far as he endeavours to base his outlook and his conduct on rational grounds, which do not vary from individual to individual, but are valid for all intelligent beings.

Now the kind of uncertainty with which Probability is concerned is that based on rational grounds. It is not concerned with mere feelings of conviction arising we know not how, but with those varying degrees of assertiveness which are correlated with corresponding degrees of rational support which our judgments find in the available evidence. Hence Probability may also be said to be concerned with the problem of rational belief, or rational anticipation. Many of our judgments we are quite sure of, without any inspiration from our feelings or prejudices, sometimes indeed in spite of them. Jones may resent his repeated defeat by Smith, yet he is sure that " Smith is tall, fair, strong, abler than Jones," etc., for to a self-respecting, sensible person, seeing is believing. " The

square on the hypotenuse is equal to the sum of the squares on the sides subtending the right angle," certainly. However much one may dislike the Pythagorean theorem, the proof is clinching. " Things which are equal to the same thing are equal to one another." " If a triangle is right-angled it cannot be equilateral, but must be either scalene or isosceles," and so on. On the other hand there are many things about which we cannot judge with certainty. We may have some grounds for thinking that " S is P," but the grounds may not be conclusive. We must then content ourselves with the judgment " S may be P." If we have no evidence whatever we should not judge at all. Rational judgment, even uncertain judgment, requires evidence for its justification. This is an important point that has not always been appreciated. For instance, it has been seriously maintained that the truth-probability of a statement for which we have no evidence whatever is $\frac{1}{2}$, which is a comparatively high degree of probability—the same as that of a proper coin throwing head. If serious thinkers can suggest such a thing, it is little wonder that lesser people should find in ignorance an incitement to loquacity. In the absence of all evidence one has no right to form a judgment at all, and therefore the question of its probability does not arise. A village maid might be excused for deeming it necessary to have an opinion about all things in heaven and on earth ; an intelligent person should know when to suspend judgment.

A problematic judgment, then, requires some evidence for its justification. Complete evidence warrants a sure judgment. Complete absence of evidence calls for suspension of judgment. Partial, incomplete evidence is the basis of probable judgments. The fuller the evidence in favour of a judgment, and the less the evidence against it, the greater is its probability. The weaker the evidence for it, and the stronger that against it, the less is its probability.

It might be urged that no human judgment is really certain, only more or less probable at best. Such a view has actually been entertained by distinguished thinkers (see, e.g., the writer's *Philosophy of Nietzsche*, ch. iv). But the problem of Probability is essentially a scientific problem ; and it is generally inadvisable to intrude philosophical questions into scientific discussions—it only tends to confusion. Probability takes its starting point from a certain distinction within the domain of Judgment (namely, the distinction between certain, or relatively certain, and uncertain, or problematic, judgments) ; it is not concerned with the epistemological problem about the validity of judgment as such. The latter question is really irrelevant to the subject of probability. Should the philosophical inquiry confirm the usual distinction between certain and uncertain judgments, then it would leave the problems of Probability quite unaffected. But even if the result should be unpropitious to the assumption of certain judgments, we should still have to distinguish between the two classes

of judgments in some way. We might have to interpret the distinction differently, say, in accordance with some purely pragmatic conception, but we should probably not even re-name them, but continue to speak of "certain" judgments, much as we still speak of the "rising" and the "setting" of the sun; and the proper domain of Probability would continue to be the less certain class of judgments, its problems remaining essentially the same.

Probability, then, is concerned with professedly uncertain judgments. In most of the affairs of life we have to come to a decision on evidence which is not conclusive, so that our judgments are not certain, only more or less probable. "Probability," as Bishop Butler has said, "is the very guide of life." This very fact has imparted a special interest to the study of probability and the problem of its accurate measurement. Unfortunately, the simplest cases for the exact calculation of probability are those presented by games of chance. This fact may have contributed something to the conception that life is a lottery. But much depends on the way the game is played: to some it is a game of chance; to others it is a game of skill. Anyway, there are many degrees of probability, according to the nature of the available evidence. For example, the knowledge that a certain student is intelligent lends some support to the judgment that he may pass his examination. If it is also known that he is industrious, then the judgment receives additional support. And if it is known, besides, that he is strong, and interested in his work, this additional knowledge will afford additional support to the judgment, which may thus approximate to certainty. Similarly, if white and other balls are placed in an urn, the likelihood of drawing a white ball may be varied indefinitely by varying the proportion of white balls to the other balls. Our estimate of the probability of the same objective event may vary enormously as more and more evidence comes to light. For instance, a teacher's estimate of the success of a particular student changes in the course of time as he gets to know more and more of his character and capacity. This fact will present no difficulty if it is remembered that probability is not primarily concerned with the objective occurrence of events, but with the degree of rational justification for our anticipation of the events. Clearly, the degree of rational justification must vary with the kind and amount of knowledge we have of the operative conditions which determine the event in question. Our knowledge, of course, may have no influence on the event itself, but it is all-important in determining the degree of justification for our anticipation of its occurrence or non-occurrence. It is important, however, that the subjective aspect of this relationship should not be exaggerated at the expense of the objective side. Every judgment is an event in somebody's mental history, and to that extent subjective. But all intelligent judgment is based on objective facts. Our certain judgments are generally based on a knowledge of objective necessity, that is to say, the knowledge that all the conditions necessary and

sufficient to secure the result contemplated are, or will be, operative. Probable judgments are based on a knowledge of objective possibility, that is to say, the knowledge that at least some of the conditions are operative which help to realize the result in question. According to the standpoint here taken up, Causality and Uniformity are at the basis of all rational probability ; they are not themselves based upon probability. The attempt to treat the Principles of Causality and the Uniformity of Nature as themselves matters of probability (rather than as postulates of reason, e.g.), appears to be the consequence of mixing up philosophical with scientific questions, to which allusion has already been made. (Reference may be made to the writer's essay on "The Philosophy of Probability" in the *Proceedings of the Aristotelian Society*, Vol. XIII.)

In consequence of the many different degrees of probability which different judgments have, it naturally seems desirable to measure these variations. Indeed, the mathematical treatment of probability is concerned almost exclusively with the measurements of probability. But not all cases of probability are really measurable, not even all those cases in which differences of degree are readily distinguishable. For example, a teacher may be able to arrange his students in a certain order according to the degree of probability with which he regards their success in some coming test. He may feel justified in regarding A's chances to be better than B's, B's better than C's, and so on. Yet he may be utterly unable to state the precise value of the probability in any of these cases. Similarly in a law-court one may feel justified in believing it to be more likely that witness A had told the truth, rather than witness B, and yet be unable to assign a definite truth-probability to the statement of either. Or a witness may think it more likely that a certain event had happened at one time than at another, and yet be unable to estimate the probability of either. No doubt it is very trying to have to depend on such vague estimates as " rather probable," " quite probable," " very probable," etc., especially in the course of trials on which issues of life and death may depend. One can understand, accordingly, the motive behind Bentham's suggestion for the use of a probability-scale on which witnesses and judges might indicate the degrees of certainty (from 0 to 10) of their evidence or conclusions. But it is difficult to see the practicability of the suggestion. With unconscious humour the proposed probability-scale has been called a probability-*thermometer*. If adopted, it would probably serve more often to indicate warmth of feeling than the dry light of reason.

There are cases, however, in which probability may be measured with great precision. It is these cases that have chiefly interested writers on Probability as well as those ardent wooers of Fortune who seek to reach her by short cuts. These measurable cases are of two principal types, namely, those which can be calculated *a priori*, and those which can only be calculated *a posteriori*. By the *a priori* cases we mean those which can be determined by reasoning from

the nature of the case, independently of actual observations of the kind of events contemplated. By the *a posteriori* cases we mean those which can only be determined by the aid of such observations.

The *a priori* (or deductive) method of calculating probabilities is possible on the following conditions: (1) We must know the total number of mutually exclusive alternatives, one or other of which must happen. (2) These alternatives must be equally likely. (3) We must know how many of the alternatives are favourable to the event concerned. The probability is then expressed by means of a fraction the denominator of which gives the total number of equally likely alternatives, while the numerator gives the number of alternatives which are favourable to the event in question. The general formula may be expressed thus: $p=f/t$, where p stands for the degree of probability, t for the total number of equally likely alternatives, and f for the number of favourable alternatives. For example, with a properly constructed die the probability that ace may be thrown is 1/6, the probability that an odd number will be thrown is 3/6, the probability that an ace may be thrown in both of two successive throws is 1/36, the probability that the same number may be thrown in two successive throws is 6/36, and so on.[1]

This mode of assessing probability at once suggests quantitative expressions for impossibility and certainty (or necessity) as limiting cases of probability. Impossibility means that none of the possible alternatives is favourable. Its probability is, therefore, $0/t$, which$=0$. For example, it is impossible to throw an ace with a coin, for there is no ace on a coin, only head and tail. Similarly, it is impossible to throw head with a die, for a die has no head, only facets marked from 1 to 6. The probability is, therefore, 0/2 and 0/6 respectively, that is 0, in either case. Certainty, on the other hand, means that the event contemplated must happen, either because it is the only possibility under the given conditions, or because, although there are a number of different alternatives, yet any one of them will serve the purpose in hand, that is to say, will be favourable to the result in question. In either case all the alternatives are favourable, so that in this limiting case $p=t/t=1$. In this way, starting from the formula $p=f/t$ we can deduce from it the limiting probability-values of impossibility and certainty as 0 and 1 respectively; so that the values of probabilities proper must be more than 0 and less than 1. In the two limiting cases it is not even necessary to stipulate that the alternatives should be equally likely. Since the values for impossibility and certainty thus follow logically from the above

[1] The term Odds is met with more often than the term Probability. By "odds" we mean the ratio of favourable to unfavourable alternatives (f to *non-f*). Thus, corresponding to the above probabilities, the odds would be 1 to 5, 3 to 3 (even odds), 1 to 35 and 6 to 30 respectively. It is always possible to convert probabilities into odds and *vice-versa*, for $t = f +$ *non-f*.

formula for probability, it seems quite unnecessary to begin by defining impossibility and certainty in these ways—a procedure which is also questionable on other grounds.

To return to the above-mentioned conditions for the *a priori* calculation of probability. The second of those conditions calls for special consideration. First, why must the alternatives be equally likely? A comparison of two simple cases will make the point clear. Suppose we were to argue that a properly constructed coin must either throw head or not; that there are, therefore, two alternatives, of which head is one; so that its probability must be $\frac{1}{2}$. The answer would be true, but the reasoning would not be correct. Let us now take a die instead. Suppose we were to argue that the die must either throw ace or not; that there are, therefore, two alternatives, of which ace is one; so that its probability must be likewise $\frac{1}{2}$. Here the answer is palpably wrong. But why? Is it not true that the die must either throw ace or not? Are there not these two alternatives? In a sense there are two alternatives in the case of the die as well as in the case of the coin. But whereas in the case of the coin the alternative "not-head" is equal to the alternative "head," in the case of the die the alternative "not-ace" really stands for five separate alternatives grouped together as one alternative. It is really five times as great as the alternative "ace," and must be weighted accordingly. Its probability is really 5/6, while that of the ace is only 1/6. In the same way the alternative "bull's-eye" is not comparable with the alternative "not bull's-eye," for the former represents but one point on the target, while there are innumerable points on and off the target which are "not bull's eye." Similarly with the happy mean in right conduct, as Aristotle would say. Incidentally this will also explain the absurdity of the view that a statement for which there is no evidence *pro* or *con* has a truth-probability of $\frac{1}{2}$. There is no reason whatever for supposing that the truth and the falsity of such a statement are equally likely alternatives. There are innumerable ways of missing the truth, just as there are innumerable ways of missing the mark.

Next, the condition appears to be question-begging. Apparently we must know that the alternatives are equally probable before we can determine the probability of any one of them. If so, how is one ever to get a start? Poincaré, accordingly, had no difficulty in poking innocent fun at the whole calculus of probability, which he considered to be little better than a game conducted in accordance with certain rules and conventions. But it is an exaggeration to regard the equality of alternatives as a mere matter of convention. The equality of alternatives may be ascertained without the aid of fallacious question-begging or arbitrary convention. Let us suppose that we have witnessed the construction of a die made as nearly perfect as possible. What do we know in that case, and what are we justified in anticipating from a throw of the die? We know that the principle of gravitation and the laws of centre of gravity and of

specific gravity are operative, and that the six sides of the die are approximately equal in shape and in weight. From all this we deduce with certainty that the die when cast will not remain suspended in mid-air, or stand up on one of its edges, or remain poised on one of its corners, but must fall flat on one of its sides. But which side? That we cannot tell, because there are six equally likely alternative sides. In what sense are the alternatives equally likely? In the sense that the conditions which are known to be operative are known to be equally favourable to any of the six sides of the die. Other conditions, namely, the precise way in which the die will be thrown, etc., will have to be added to make the die fall on one side rather than on any of the other sides. But since these conditions are unknown we can only be guided by the known conditions, which are equally favourable to each of the six sides. In this sense the six alternatives are equally likely. That is all that is required by the condition under consideration, so that no convention is necessary, nor is question-begging involved. It is not always possible to ascertain the equal likelihood of the alternatives in such a direct way, and then one is tempted to let mere ignorance of inequality do service for a knowledge of equality, a procedure that is not always justifiable. The equality of alternative possibilities can sometimes be determined indirectly. Suppose, for example, we have a die of the proper construction of which we have no evidence, and which we do not want to take to pieces in order to examine its sides, we might still ascertain indirectly whether its six sides are equally likely alternatives. We might, namely, persuade some friendly statistician to cast the die several thousand times and record the results. If on an average each side of the die appeared approximately once in six throws we should feel justified in regarding the alternatives as equally likely. Observations of the actual behaviour of the alternatives are thus made a test of the equal likelihood of those alternatives. This brings us to another method of estimating probability—the *a posteriori* (or inductive) method.

Many, and practically the most important, cases of probability cannot be calculated *a priori* at all ; but they can be estimated by the aid of sufficiently numerous observations of the class of events contemplated. Suppose, for instance, that in the above case of the die the six different sides were not thrown an approximately equal number of times—the ace, say, turning up on an average once in about eight throws, instead of once in six. This would be taken to prove that the six alternatives are not equally likely, so that the probability of any particular throw with that die could not be calculated *a priori*. But it could still be calculated by the aid of the actual observations—ace, e.g., would be said to have a probability of 1/8. The frequency with which an event occurs in the long run is treated as the measure of its probability. In this way, provided we have sufficient statistical data, it is possible to estimate exactly the probability of all sorts of events which do not lend themselves at

all to *a priori* treatment—births, marriages, deaths, the thousand-and-one ills that flesh is heir to, etc.

Influenced by the empirical tendencies of a scientific age, and contemptuous of the high *a priori* road favoured of theologians and philosophers, writers on Probability have been tempted to base all calculations of probability on frequencies. They would either banish *a priori* calculations altogether, or at most treat them as intelligent anticipations of frequencies. It is admitted, indeed, that the frequency theory of Probability is not free from difficulties. Frequencies are apt to vary considerably with the number of cases observed. In tossing a coin, for example, the proportion of heads and tails varies remarkably according as one stops at the 50th, the 100th, the 1,000th, or 10,000th throw. One can get almost any proportion by stopping at the right moment. Hence the introduction of the notion of " the long run "—in the long run a normal coin will throw head once in two throws. But even so the element of arbitrariness is not entirely eliminated. As here conceived, the fundamental form of the probability calculus is the *a priori* form, of which the *a posteriori* type is simply an inverse process. The probability that a die, which is known to be properly constructed, will throw ace is 1/6. Primarily this fraction does not refer to the average frequency with which ace has turned up or will turn up. It means that ace is one of six equally likely alternatives one or other of which must be realized, should the die be cast. This may be ascertained accurately without casting the die at all. The said frequency may, however, be deduced from the *a priori* probability, of which it can, consequently, be made a test or an index. In the *a posteriori* calculations we simply say that the event in question occurs as if it were one of so-and-so many equally likely alternatives—the ace of the above-mentioned bad die, e.g., turns up as if it were one of eight equally likely alternatives. There is nothing unusual about such a use of the inverse process, or the resort to fictitious suppositions.

Our view of the calculable cases of probability (*a priori* and *a posteriori*) makes it possible, without any straining, to keep together all types of probability, quantitative and non-quantitative. In all cases of probability proper the certainty of anticipation is weakened by our knowledge of alternative possibilities. In some cases we know directly what the other alternatives are ; in others we do not, except perhaps in a vague sort of way. In some cases we can, from a knowledge of the operative conditions, regard the alternatives as equally likely ; in others we have to weight them in the light of experience ; in yet other cases we may not be able to value them at all, or only in a very rough manner. The frequency theory of probability, on the other hand, has really no room for the non-quantitative cases. Even in the modified form, in which frequency is taken to mean the truth-frequency of certain classes of propositions, it appears unsatisfactory. How exactly does it help one to deal with the probability of a judgment, to advise him to

ascertain first the probability of the whole class of judgments to which it belongs? Strictly speaking, it is only when we know the probability of a proposition that we know to what class it belongs in respect of truth-frequency, if we can ever know this at all.

Lastly, of what practical value is the whole calculus of probability? Some people have very exaggerated notions of its practical value. This is partly due to our respect for figures, in consequence of the important place which mathematics holds in modern science. In fact, to quote figures is the modern substitute for quoting Scripture —it silences even if it does not convince. One tacitly assumes that exact figures express precise knowledge, and one has no suspicion of the ill-defined nebulosities that may masquerade in precise ratios and fractions. Partly, however, the exaggeration is also due to the frequency theory of probability. This theory rather encourages the confusion of probabilities with frequencies. There is, of course, a connection between them. We have seen that probability can, in many cases, only be calculated on the basis of observed frequencies. Nevertheless, probability and frequency are not identical. Now frequencies, when treated with the necessary precautions familiar to expert statisticians, may be of the greatest practical value—as is evident from their use in insurance business and in kindred enterprises. But the calculus of probability is another matter. Probability is concerned even with single events and small groups or series of events, while frequencies always refer to large classes, or long series of events, to what happens " in the long run." The practical difference is obvious, even in roulette. The bank, doing business with large numbers of players, can rely on frequencies which secure it certain advantages. The individual player, limited to a much smaller number of ventures, simply gambles, and usually pays dearly for his estimates of probability, even when these are based on rational calculations and are not merely the result of inspiration or superstition. The calculus of probability is, of course, secure of its reputation, just like the ambiguous oracles of antiquity. Whatever happens, the calculus is right. Whether you win or lose, whether you have a long run of good luck or of ill luck, the calculus is equally right. This may console those who cherish their delusions more than their treasure ; but sensible people will not put their trust in such ambiguous oracles. There are, it is true, ingenious gambling systems, based on frequencies rather than on probabilities. But even these systems have their day and cease to be. The best of them is but a snare, cheating the fowler of a bird in the hand for two in the bush. Its validity always depends on " the long run," which easily outruns the resources of any ordinary individual. For similar reasons, even in legitimate insurance business the company, relying on frequencies, is on a much better footing than the individual client—though the practical exigencies of life often make it advisable for the individual to take high risks for small amounts rather than incur low risks for large amounts, not to mention the benefits which accrue to the

community as a whole from insurance organizations. No precision of figures can eliminate the essential uncertainty of the probable. And, in the last resort, the best method of estimating the probability of anything is by a close examination of the actual conditions. Even insurance companies do not rely entirely on frequencies, but have each case examined by an expert, doctor or engineer, etc., according to the nature of the risk. This is done primarily in order to determine accurately to what precise class the risk belongs, since each class has its own frequency. But that is not the whole explanation, for, if everything were taken into account indiscriminately, each case would be *sui generis*. There can be no doubt, however, of the great practical, as well as theoretical, value of a knowledge of frequencies and correlations. In comparison with these, the value of the calculus of probability is almost negligible. But the logic of frequencies and correlations is really different, in important respects, from that of probability, and requires separate consideration.

II

THE LOGIC OF PROBABILITY AND STATISTICS

By A. L. Bowley,
Professor of Statistics in the University of London.

It is proposed here to give a brief account of that part of Mr. J. M. Keynes's recent book[1] which has direct relation to statistical practice, and to examine how far his general criticisms are relevant to the methods used in certain problems of a common type. A reader of the book, not versed in modern statistical investigations, would undoubtedly obtain the opinion that the conclusions which statisticians reach with the help of mathematics commonly go far beyond the premises, and that their legitimate sphere is very limited. It would be foolish to deny that there are many cases where statisticians, and those who quote their results, generalize too readily, and the rigid criticism which Mr. Keynes develops is very useful in exposing faulty deductions and in suggesting rules by which the validity of arguments can be tested ; but there is a vast field of investigation to which he hardly alludes, which is nearly free from the errors he discusses.

Statistics are descriptive or inductive (p. 327). Where descriptive statistics only are concerned the question is one of appropriateness of method and choice of significant measurements with which the book is not concerned. In inductive statistics the argument is from the known to the unknown, and here the theory of probability plays a part. Statisticians are said to be prone to slip unconsciously from description into generalization.

The basis of the connection between observations of individuals

[1] *A Treatise on Probability* (Macmillan). 1921. Especially Part V, The foundations of Statistical Inference.

and general measures of frequency is found in Bernoulli's theorem, which purports to prove that " if the *a priori* probability of an event is p, the proportion of times most probable *a priori* for the event's occurrence on a series of occasions where the conditions are satisfied is also p, and that if the series is a long one the proportion is very unlikely to differ widely from p." (p. 341). It is assumed in the theorem that a knowledge of what has occurred does not affect the probability of what may occur, and that the *a priori* probability is the same at every trial. The latter assumption is removed by Poisson's extension of the theorem (p. 345), the former remains ; Mr. Keynes gives examples where knowledge, e.g., of runs of heads in coin-tossing, suggest that the coin is not perfectly balanced, and that we ought not to assume that the chance of a head is in this case still $\frac{1}{2}$, and it must be admitted that generally a *sequence* of trials gives additional information by which we can deduce that the *a priori* value of p was wrongly estimated. The caution may be important for experiments of this nature, but the common practice in applied statistics is to take a sample as a whole, not as a sequence, and there is then no question of intermediate information, and Bernoulli's theorem is easily adjusted to meet the case where the sample is a finite part of the whole.

Mr. Keynes thinks that the elaborate experiments in which attempts have been made to verify Bernoulli's theorem in practice, are useless (p. 361) ; but he overlooks the fact that the theorem only states a law of chance, and that it is still necessary to ascertain whether events do fall out in accordance with chance, when the chances are rightly computed.

To be able to infer that, because a proportion (say, of male to female births) p has been observed at one place or time, therefore it will be found at another time or place, it is evidently necessary to know that all the conditions which can influence the proportion are unchanged, or to have supplementary evidence. The chemist and physicist may be in a position to know that relevant conditions are the same, and the biologist may also be able to argue from a specimen to a species ; but everyone must agree with Mr. Keynes that the statistician, when dealing with a heterogeneous and progressive society, cannot make a similar assumption. The method used by Lexis (p. 393) is approved, in which the proportions observed in different districts and periods are compared, and it is ascertained whether their variation is that to be expected from the law of error.

But a very great part of statistical analysis is concerned not with extending a measurement made on one group to other separate groups, but in inferring from a sample selected at random or by rule from a single group what is the constitution of the group. Whether one is sampling for attributes (or frequencies)—the case to which Mr. Keynes rather curiously confines most of his argument—or for the average and distribution of variable magnitudes, the method is to consider what is the chance that the observed average (x) or

frequency (p) in the sample would be reached if the average or frequency in the whole had certain values (X or P). This is simply a question of mathematical probability, in strict accordance with Bernoulli's or Poisson's theorem if it is a question of proportion, or with the more general Law of Error (developed by Edgeworth after Laplace) if of magnitude. None of the criticisms so far appear to touch work of this kind. The inverse step, to argue from the p or x of the sample to the P or X of the whole group, is admitted by all competent statisticians and mathematicians to involve assumptions of a difficult nature, and there is now a good deal of discussion as to the circumstances under which such assumptions are valid. The "Principle of Indifference" (p. 372), under which it was assumed that in the absence of knowledge all values of p from 0 to 1 could be taken as equally probable, is, if used at all, put in a modified form, viz., that nearly the same result is obtained whatever the distribution of chances of the values of P in the neighbourhood of the observed p, which is the only region concerned when the number in the sample is large. Some writers appeal further to general knowledge of the conditions which lead them to infer apart from the sample that P is to be found in a certain limited region. Cases are also known where the method breaks down. Mr. Keynes's criticism therefore tends to be mainly of historical importance, though the history may be quite recent, and his general dictum that "no good induction can be arrived at merely by counting cases" (p. 391) and that no inference can be based on a single measurement, is by no means universally valid; indeed, he modifies its generality on p. 388, in which he alludes to conditions under which P can be inferred from p.

Similar considerations apply to the correlation coefficient. Mr. Keynes appears to hold that r, the mean product of deviations of two variables each expressed in terms of the standard deviation, is nothing more than a convenient way of describing the distribution of pairs of observations; and, indeed, this is the safest point of view for the general reader. For illustration let us take a specific case: from the examination of the circumstances of 600 households in Reading it was computed that the (partial) correlation coefficient between rent and number of (equivalent[1]) adults in the household was $-\cdot136$, when variation of income was eliminated; put in words this is nearly equivalent to saying that in this sample rent decreases on the average 1⅔d. per week for each additional adult in families with the same income. Can we infer from this without other data (1) that there is a connection between size of family and rent; (2) that nearly the same measurement would be obtained if we had examined the 12,000 working-class households of Reading instead of only 1 in 20; (3) does the actual number $-\cdot136$ in any sense measure the amount of connection between rent and size of family; and (4) can we generalize to other towns of South England, of Eng-

[1] Children are counted as needing certain fractions of the house-room suitable for an adult.

land, or of Great Britain? We understand that Mr. Keynes would answer each of these questions in the negative : to (1) he would say that there can be no inference unless we had *a priori* knowledge that the two quantities were related ; to (2) that we must subdivide our sample and study the variation of r in the sub-sample ; to (3) that the measurement was merely descriptive ; to (4) that we must ascertain that all relevant conditions were the same in other towns, or that we must investigate a number of other towns and study the variation of r.

With the answer to (4) we may agree, and add that it is known that relevant conditions are not the same. For (3) we can only in this case make the general statement that a great number of coefficients, varying between $+1$ and -1, have been computed for a great variety of phenomena, in some of which the whole system of causation is known, and that a general impression has been obtained of the correspondence between the values of r found and the scale of correlation on which zero stands for complete independence and unity for a rigid and complete connection.[1] As to (1) we should say that if, in fact, there were no relationship but that rent and numbers were independent, the chance against so great a value as ·136 being found in a random selection was approximately 1400 to 1, while there was no *a priori* impossibility of a negative connection. For (2) we should express the correlation coefficient as $-\cdot136\pm\cdot040$, where ·040 is the standard deviation of the measurement ; the chance is about 2 to 1 against the observed value appearing if the value for the whole town was not between $-\cdot10$ and $-\cdot18$, and very great against its appearance if the value were beyond, say, $-\cdot4$. We can make such a statement more definite if we use inverse probability, and can then estimate the probability of the value for the town. In this case the precision of the measurement is low ; as the number included in the sample increases, the precision rises. We hope that Mr. Keynes would not reply to these statements that " By this time the student's mind, unless anchored by a more than ordinary scepticism, will have been well launched into a vague, fallacious sea."

[1] The (partial) correlation coefficient between rent and income, variation in the size of family being eliminated, was ·532. Most statisticians would be prepared to state that rent was more closely connected with income than with size of family, implying a causal (not merely an arithmetical) connection.

School Notes

New Courses of Lectures in Lent Term

"The Problem of International Labour Legislation": four lectures by Mr. Grimshaw, a former lecturer at the School who is now attached to the International Labour Bureau at Geneva.

"Social Insurance": six lectures by Mr. J. C. Cohen.

"The Working of the Federal Reserve System of the United States": four lectures by Miss Tappan.

Staff

Mr. Keatinge, who was to have lectured in the Lent Term on "The Economic Development of India" and on the "Trade of the Malay Archipelago," has been commissioned by the Government of India to visit British Guiana, and these courses will therefore be given by Sir John Cumming, K.C.I.E., and Mr. William Piercy respectively.

Students

The total number of all students at present in attendance is 2,039. Of these the number of regular (or full-time) students enrolled up to December 15th, is 820, of whom 321 are working for the B.Sc. (Econ.): 262 for the B.Com.: and 46 are research students working for Higher Degrees, such as the Ph.D., D.Sc., M.Sc., etc.

Among the remaining 1,219 occasional (or part-time students) are 550 Railway Students, sent by the various railways companies.

There are 307 foreign and colonial students, representing some 37 nationalities.

Twenty-five students passed the B.Sc. (Econ.) Honours Examination for Internal Students which was held in October, 1921. Three students, Hilda M. Bell, I. Graul and G. L. Schwartz, obtained First Class Honours. The Gladstone Memorial Prize of books, to the value of £10, which is awarded annually in connection with the Final Examination for proficiency in History, Political Science and Economics, was awarded to Miss Bell on the results of the Examination.

Ten students obtained Second Class Honours, and twelve obtained Third Class. One student who took the Honours Examination was recommended for a Pass. Three students passed the B.Sc. (Econ.) Pass Examination for Internal Students: six students passed the B.Sc. (Econ.) Honours Examination and three the Pass Examination for External Students.

The Hutchinson Medal, which is awarded annually for excellence of work done in Research, has this year been awarded to Dr. Hugh

Dalton, on his Doctorate thesis, "The Inequality of Incomes in Modern Communities."

The Gladstone Memorial Prize to the value of £5 in books which is awarded annually by the trustees of the Gladstone Memorial Fund to the student who obtains highest aggregate marks for the papers in Economics and the British Constitution, at the Intermediate B.Sc. (Econ.) Examination, has this year been awarded to Mr. C. T. Houghton.

Geography Summer School

Arrangements are being made for a Summer School of Geography to be held at Dunford House, near Midhurst, Sussex (The country Hostel of the London School of Economics).

The duration of the School will be from July 31st to August 12th, 1922.

The School is intended primarily for teachers of Geography and for students who wish to become teachers. Attention will be directed to a few important specific subjects in the presentation of which teachers quite usually find difficulties.

The course will consist of lectures, classes and excursions. Professor Gordon, of King's College, London, and Dr. Russell, of the Experimental College of Agriculture, Rothamsted, have very kindly consented to assist the Staff of the Geography Department of the London School of Economics, if their engagements permit.

Applications for admission should be received before the end of April, 1922, and should be accompanied by the tuition fee of two guineas.

Books Received

M. D. Stocks : *The Meaning of Family Endowment.* Allen and Unwin.
Dr. W. Rathenau : *In Days to Come.* Allen and Unwin.
H. Cousins : *A New Policy for Labour.* Palmer.
Lord Askwith : *Industrial Problems and Disputes.* Murray.
M. D. Stocks : *The Industrial State.* Collins.
Adam Smith : *The Wealth of Nations.* Bell.
J. L. Cohen : *Insurance Against Unemployment.* King.
W. Jones : *Capital and Labour.* King.
K. S. Woods : *The Rural Industries around Oxford.* Oxford University Press.
Various : *Problèmes Actuels de l'Economique.* Armand Colin.

Periodicals Received

Bolletino della Emigrazione (Issues for 1921).
The Journal of International Relations.
The Sociological Review.
Giornale degli Economisti.

Who said "Barren Metal"?

A SYMPOSIUM

By Prof. E. Cannan, W. D. Ross, Dr. J. Bonar and Dr. P. H. Wicksteed.

Aristotle, *Politics*, I, iii *ad fin.* 1258^{b}:

Εὐλογώτατα μισεῖται ἡ ὀβολοστατικὴ, διὰ τὸ ἀπ' αὐτοῦ τοῦ νομίσματος εἶναι τὴν κτῆσιν, καὶ οὐκ ἐφ' ὅπερ ἐπορίσθη· μετοβολῆς γὰρ ἐγένετο χάριν· ὁ δὲ τόκος αὐτο ποιεῖ πλέον· ὅθεν καὶ τοὔνομα τοῦτ' εἴληφεν· ὅμοια γὰρ τὰ τικτόμενα τοῖς γεννῶσιν αὐτά ἐστιν· ὁ δὲ τόκος γίνεται νόμισμα νομίσματος· ὥστε καὶ μάλιστα παρὰ φύσιν οὗτος τῶν χρηματισμῶν ἐστιν.

Jowett's translation of the above:

The most hated sort, and with the greatest reason, is usury, which makes a gain out of money itself, and not from the natural use of it. For money was intended to be used in exchange, but not to increase at interest. And this term Usury (τόκος), which means the birth of money from money, is applied to the breeding of money, because the offspring resembles the parent. Wherefore of all modes of making money this is the most unnatural.

Shakespeare, *Merchant of Venice*, Act I, Scene iii:

Ant. Or is your gold and silver ewes and rams?
Shy. I cannot tell: I make it breed as fast.

. . . . .

Ant. If thou wilt lend this money, lend it not
As to thy friends: for when did friendship take
A breed of barren metal of his friend?

Bentham, *Defence of Usury*, 1787, Letter X:

In process of time, as questions of all sorts came under discussion, and this, not the least interesting, among the rest, the anti-Jewish side of it found no unopportune support in a passage of Aristotle, that celebrated heathen, who, in all matters wherein heathenism did not destroy his competence, had established a despotic empire over the Christian world. As fate would have it, that great philosopher, with all his industry and all his penetration, notwithstanding the great number of pieces of money that had passed through his hands (more perhaps than ever passed through the hands of philosopher before or since), and notwithstanding the uncommon pains he had bestowed on the subject of generation, had never been able to discover, in any one piece of money, any organs for generating any other such piece. Emboldened by so strong a body of negative

proof, he ventured at last to usher into the world the result of his observations, in the form of an universal proposition, *that all money is in its nature barren.*

ASHLEY, *Economic History*, 1888, Vol. I, p. 152:

Later writers referred to the doctrine of Aristotle that money was itself barren, and that therefore fruit or interest cannot justly be demanded for the use of it.

PROF. CANNAN TO W. D. ROSS, 4/11/21.

I understand that you are now the highest authority on Aristotle. I want to know whether he really did say, as people seem to have alleged for many centuries, that interest is unnatural *because money is naturally barren*; or as Bentham, coarsely humorous, puts it, because he could not find any organs of generation on any of the very numerous pieces of money which had passed through his hands.

I suppose it all arises from the one passage in *Pol.*, Bk. I, but that does not seem to say anything about money being barren. How can the proposition that money is barren be read into the mere statement that "interest increases money: from which fact it got its name; for like are the things that are begotten to those which beget them, and interest is money begotten of money"? If anything, this seems rather to suggest that money is fruitful. Is the doctrine of barrenness just inferred from the fact that the passage goes on, "so that this is the most unnatural of the ways of acquiring," the idea being that if you say a method of begetting is unnatural, you must mean that the begetter is naturally barren? When I put my difficulty before Graham Wallas and Wolf, our logician, Wolf said the remarks about the etymology are a mere parenthesis and the last sentence ("so that," etc.) has nothing to do with it, but sums up the argument preceding it. This seems reasonable, but what becomes of the canonists and Bentham?

I had an idea that Ar. possibly meant that children are *like* their parents, but money gave birth to *itself*; but Wallas said you can't get that out of the Greek, and Wolf that money gives birth to *other* pieces (which is inconclusive, for Ar. *might* possibly have seen that there weren't any *more* pieces in consequence of interest being paid).

W. D. ROSS TO PROF. CANNAN, 7/11/21.

1. Wolf is certainly right in saying that the remark about the etymology of τόκος (ὅθεν . . . νομίσματος, 1258^{b} 5-7) is parenthetical.

2. I don't think any contrast is intended between parents, who produce children *like* themselves, and money, which produces *itself*. The object of the parenthesis is to liken, not to contrast, interest to children.

3. On the main point: Aristotle does not *directly* say either that

money is naturally barren or that it is naturally fertile. He says that it produces interest, but that this is not what it was invented to do—it was invented to be used in exchange. The yielding of interest is an unintended by-product. And since Aristotle identifies the nature of a thing with the end it is intended to fulfil, it is a legitimate gloss to say that interest-bearing is according to Aristotle *no part of the nature* of money. And he infers (for the last words of the chapter, ὥστε καὶ μάλιστα κ.τ.λ, follow from the remarks in ll. 3-5) that the lending out of money at interest is the most *contrary to nature* of all the modes of making money.

I don't think he means that it is by an unnatural convention that money breeds money. He appears to regard it as the normal course of things that it should. But it is not the essential nature of money in the truly Aristotelian sense in which nature is equivalent to end.

It is the words before those you quote which are important. "Usury is most reasonably hated because in it the acquisition of money comes from the money itself and not from that (ἐφ' ὅπερ = ἀπὸ τούτου ἐφ' ὅπερ) with a view to which money was devised. For it came into being for the sake of exchange, but interest makes the money itself greater."

It all turns on what you mean by "nature," which is, of course, one of the most ambiguous and misleading of all terms.

DR. JAMES BONAR TO PROF. CANNAN, 15/11/21.

Ross's statement seems to me excellent. The idea of the barrenness of money seems to come from the Canonists through Shakspere (who has much to answer for if he identifies himself with all his angry characters). I have no doubt you are right in thinking we give A.'s passage a wrong twist by paraphrasing it in the language of Shaksp. I am guilty myself (*Philosophy and Political Economy*, 1893, p. 38). Bacon, in his Essay on Usury, has "They say that it is against nature for money to beget money." This might be Shakspere repeating himself. But Bacon sums up in favour of usury and sends the other opinion to Utopia. Is this another proof that he was not Shakspere?

Gibbon says (ch. XLIV, ii, §3): "According to the etymology of fœnus and τόκος the principal is supposed to generate the interest," and Dugald Stewart, II, 147, says A.'s argument was manifestly suggested by the etymology of τόκος, then quoting G. and Shakspere and not noticing that G. contradicts S. What is common to them is the "puerile conceit" (Dug. St.).

David Ritchie (in Palgrave's *Dictionary*) is careful: "It is a perversion of the natural use of money to make money breed money instead of simply facilitating exchange."

Böhm-Bawerk (*Geschichte u. Kritik der Kapitalzins-theorieen*, p. 17; Smart's trans., *Capital and Interest*, p. 17) paraphrases Aristotle thus: "Money by its nature is not capable of bearing fruit. The gain drawn from the loan can therefore not come from the proper

economic powers (*Kraft*) of money, but only from an over-reaching of the debtor." Same in second edition with the printer's mistake (ἐπ' ἀλλήλων for ἀπ' ἀλλήλων) still unobserved.

It seems to me thus: Though Ar. condemns interest (or, if you like, usury—some commentators saying τόκος is only that, viz., excessive and oppressive interest), he condemns it as παρὰ φυσιν, not because it is impossible to breed money out of money (for that is just what happens), but because that use of it is a departure from the τέλος of money (viz., to serve as a means of exchange). His grievance is that it *is* so misused, not that it can't be.

I have enjoyed this quest.

P.S.—I have just heard of an American farmer who, when conversation happened to turn on "the greatest inventions," exclaimed, "The man who invented interest was no slouch."

Prof. Cannan to Dr. P. H. Wicksteed, 22/11/21.

I am sure you would like to contribute something to this symposium. Who first said that Aristotle said that τόκος was most unnatural because money had no organs of generation?

Dr. P. H. Wicksteed to Prof. Cannan, *Childrey*, 24/11/21 (*26th by now*).

To begin with Aristotle himself. Obviously A. is justifying the expression τόκος, not criticizing it; and Wolf and Ross are clearly right in making the words ὅθεν . . . νομίσματος parenthetical. But I don't think it follows that they are wholly without a strengthening effect upon the ὥστε κ.τ.λ., though it could stand quite well without them. Ross's remarks about τέλος and φύσις seem to me to be admirable in themselves and very enlightening; but I think he takes rather too narrow ground, for A. knew very well that the νόμισμα, as well as having a τέλος *qua* νόμισμα, conferred upon it by convention (νόμος), also had and must have a τέλος as metal conferred upon it by φύσις. He rejects alike the equating of coin and wealth, and the folly of contending that because you can't eat coin therefore it owes everything to convention and is φύσει οὐθέν (1257ª 9 *sqq*). Newman, quite unnecessarily, apologizes for the passage καὶ διὰ τοῦτο τοὔνομα ἔχει νόμισμα, ὅτι οὐ φύσει ἀλλὰ νόμῳ ἐστί, καὶ ἐφ' ἡμῖν μεταβαλεῖν καὶ ποιῆσαι ἄχρηστον (1133ª 30 *sq.*), for, of course, he is referring here to its "use" as a medium of exchange. I remember the delight which Wallas and I shared long ago in noting that A. insists on the necessity of the standard of value being itself a valuable. It must be τοιοῦτόν τι . . . ὃ τῶν χρησίμων αὐτὸ ὂν εἶχε κ.τ.λ. A. also knew very well (better than Mill did when he said that foreign trade was a reversion to barter) what the exact nature of a circulating medium is, viz., something which X, when he has given Y something that Y wants, is willing to receive in exchange though he has no use for it himself, because he knows that he can, in his turn, get something that he does want in exchange

for it. It is a surety (ἐγγιητής) which, while not compensating a man, ensures him of compensation (1133[b] 12).

I don't know that all this is much to the point except so far as it shows that A. was always conscious of the double τέλος and φύσις of the coin. But when we consider how agriculture and breeding are always the primary sources of wealth in A.'s mind, I think we should very likely be right if we paraphrased our passage thus: "The most natural way of living is by getting and making things from and with nature, but, since there is advantage in the interchange of services, exchange must be regarded as legitimate, though not so directly natural. Now money is a conventional device for facilitating exchange, and is one further remove from nature; but if a man diverts this instrument from its proper purpose and makes money breed money—and by the way the very appropriateness of the term, though applied to a metal, emphasizes the monstrousness of the process that makes it appropriate—this is the most rank defiance of nature of all."

I am quite convinced that Stewart is right, as against many other commentators, in understanding ὁ δὲ χρηματιστὴς βίαιός τίς ἐστιν (1096[a] 5 *sq.*) as meaning that money-making as such and for its own sake is unnatural, but here again the "nature" sinned against is clearly the nature of money as an instrument of exchange. So it gets us no further.

I don't really think very much of this attempt of mine to make out that Aristotle had the barrenness of metal in his mind, but I do think that it lies very near at hand and that it was very natural to read it into the passage. The question you ask (and I can't answer) is: Who first did read it into it? Not the Schoolmen apparently. Albertus and Thomas, though they are somewhat bemused by their Latin text, come out pretty well and substantially agree with Ross. (I cannot find that any Greek commentators on the *Politics* have been published.)

Dante, while referring to A., seems to take the line that growing and breeding are working with nature; art is an attempt, by making, to imitate, up to our power, the productiveness of nature. But the usurer, who neither cultivates with nature nor makes with art, insults God, nature and art (*Inf.* xi). But it is very significant that he expressly associates the usurers with sodomites. An article of mine in the current number of *Modern Language* may throw some incidental light on this.

Two of the commentators who wrote in Dante's own century (if the century you die in is yours) give us at last what we are looking for. They quite explicitly make the unnaturalness of usury consist in its making the barren metal breed. One is the author of the so-called *Ottimo Commento*, who is (or was, my Dante lore is quite antiquated now) supposed to be Andrea Lancia, a Florentine notary; and in any case he was personally acquainted with Dante. The other is Buti, the latest, I believe, and one of the best, of the four-

teenth century commentators. I have transcribed passages from them. Boccaccio, from whom, if from anyone, we might look for an anticipation of Bentham's " coarsely humorous " version, makes no approach to it. I think Bentham may probably claim it as all his own.

It has amused me much to write all this. I fear it will bore you consumedly if you attempt to read it.

Appendices to Dr. Wicksteed's Letter

I.—*Latin text of Aristotle common to Albertus and Aquinas.*

" Rationabilissime odio habetur obolostatica, eo quod ab ipso numismate fit acquisitio et non super quo quidem acquisivimus : translationis enim gratia factum est. Usura (tocos) autem seipsum facit amplius. Unde et nomen istud accepit : similia enim parta generantibus ipsa sunt, tocos autem fit numisma ex numismate ; quare et maxime praeter naturam ista pecuniarum acquisitio est."

N.B.—In my printed editions, both of Aquinas and Albertus, this passage is punctuated :

> " translationis enim gratia factum est usura : tocos autem seipsum facit amplius,"

which is neither grammar nor sense ; and it does not agree with the commentaries.

I don't suppose that τόκος really appeared at all in the Latin text, as the Schoolmen had it ; but they would assign the corresponding etymology to *fenus*. Festus (*apud* Facciolati) says : " *Fenus appellatur naturalis terrae fetus ; ob quam causam et nummorum fetus fenus est vocatum, et de ea re leges fenebres.*"

II.—*L' Ottimo Commento* (*circ.* 1325), *on Inf. xi.* 103-111.

" Produce la natura le cose necessarie alla vita umana, e l'arte naturale coltiva la terra, e le cose naturali, delle quali uomo vive. . . . E dice : Perchè l'usiere altra via tiene perciò che non seguita via naturale, però che danaio non può fare danaio, ne ingenerare danaio : nè seguita la via dell' arte naturale, però che ogni arte generalmente pretende modo, e forma di sua [? *leg.* forma sua di] natura. . . . La moneta per sua natura è disposta ad essere mezzo solamente in agguagliare ogni mercato : sicchè chi vuole che moneta facci moneta, si la trae della sua naturale disposizione."

III.—*Buti* (*end of the fourteenth century*), *on the same text.*

" E questo è licitio appo Dio et appo il mondo l'uno uomo avanzare l'altro, o per sua industria, o esercizio di sua persona affaticandosi e lavorando la terra, o commettendosi all' opere della natura, tenendo bestiame lo quale secondo corso di natura fruttifica, se a Dio piace, et ancora una volta muore, stando contento a quello che Iddio fa. *Ma perchè l'usiere altra via tiene* ; che quelle della natura, non tenendo li suoi danari in bestiame ; e che quella dell' arte :

imperò che non lavora e non s'esercita, . . . dispregia Iddio dispregiando le cose sue ; cioè natura ed arte ; anzi fa contra natura : imperò ch'elli vuole che il danaio faccia danaio, la quale cosa è contra natura : imperò che le cose non animate non possono multiplicare per generazione, come le cose animate.

The Relations of Magic and Religion

By E. I. Black,
London School of Economics.

Attempts to demarcate the spheres of the magical and the religious have sometimes been made upon the hypothesis that they are readily distinguishable, and possessed of mutually exclusive traits. Thus, it is not infrequently suggested that magic works for evil, where religious aims are good; that religion is social, where magic is individualist in tendency; or again, it may be hinted that the latter operates at a lower intellectual level, so to say, than the former.

But there is a magic which is not only beneficent but definitely social in its character—as witness the Intichiuma ceremonies of the Australians,[1] destined to ensure an abundant supply of animal food; or the elaborate agricultural rites of the Malays.[2] Again, whilst the available evidence goes to show that no people, however primitive, can certainly be said to be without the elements of some religious belief, it is yet a matter of common knowledge that magical ideas and practices have survived right on into our own times and civilization, and only a month or two ago, for instance, a poor Frenchwoman was induced to consent to the murder of her husband, because the sorcerer whom she had consulted in regard to the death of some cattle declared that he had cast upon them the evil eye.

It thus appears that, for one reason or another—lack of definition in some cases, perhaps, or failure to distinguish between origin and aim in others, total differentiation is not so easy as it might seem at first sight; but it may be well, before going further, to outline what is probably the best known of the so-called "oil and water" theories, as we find it put forward in the first volume of the *Golden Bough*.

Sir James Frazer begins by defining religion as an attempt to conciliate and propitiate the superhuman powers which are believed to control nature; whilst magic, on the other hand, is an attempt to coerce them. Where the former assumes a certain elasticity of nature the latter posits order and uniformity, with the result that it is weak on the speculative and theoretical side, and is, in fact, a false science, founded upon a misapplication of the fundamental laws of thought, working mainly through a mistaken association of ideas, and upon a basis of sympathy. Magic and religion are thus fundamentally antagonistic; they may combine, but can never fuse. Magic,

[1] For examples see Spencer and Gillen, *Native Tribes of Central Australia*, ch. vi, p. 167.

[2] Skeat and Blagden, *Pagan Races of the Malay Peninsula*, pp. 345-57.

furthermore, because of its alleged greater simplicity, was probably prior to religion, which only arose when man, becoming conscious of his impotency, bethought him of the gods, and asked them to pull "the strings that hung beyond his reach."

Now, quite apart from the non-confirmatory nature of available ethnological data, the intellectualist fallacy underlying such a view of the supposed transition is obvious; and yet it has found a new champion in Freud, who argues that just as the child or the neurotic believes that by a mere wish he can bring anything to pass, so the magician, similarly confusing what he wills with that which actually happens, thinks that he can control the course of nature: and just as with time the one is led by the necessity of adjusting himself to the hard and bewildering facts of life to abandon the belief in his own omnipotence, so primitive man, becoming conscious of the over-valuation of his psychic acts, constitutes those spirits to whom he turns in more or less submissive mood. In the magical stage the *Allmacht der Gedanken* is thus supreme; in the religious, which follows it, there is a partial cession in favour of the gods.[1] But Andrew Lang has suggested that Frazer's original statement might with equal relevancy be reversed, and that if we find a race which has magic but no religion we cannot be certain that it did not once possess a religion of which it has despaired[2]; and as Doutté and Wundt, it may be mentioned in passing, do in fact appear to think of religion as prior and of magic as derivative, little of positive value is to be gained by pursuing this particular line of thought. We shall see later, too, that the foundation of sympathy upon which Frazer has erected the edifice of magic is hardly wide enough to cover the known facts: and further, the idea of magic as a pseudo-science can be assailed, on the ground that it tends to minimize the personal and capricious element involved, and that the whole background of the mysterious in which it operates is alien to the scientific spirit.

Durkheim, who sees in Totemism the most elementary form of religious life, where Frazer is inclined to assign to it a more or less magical character, essays a fairly complete differentiation along fresh lines; all known religious beliefs, he says, suppose a dual classification into things sacred (that is, set apart and forbidden) and things profane, the former being superior in dignity and power to the latter. Religion, therefore, is a "unified system of beliefs and practices relative to sacred things, uniting into one single moral community called a Church, all those who adhere to them."[3] There is, on the other hand, no church of magic, and no lasting bond between the magician and the individuals who consult him. But, it has been asked, whence does the "sacred" derive its special character? Further, does it not imply a category every whit as heterogeneous as that of the profane? And, if this be granted, what then becomes of the supposed unity of the religious system?

[1] Freud, *Totem and Taboo*, ch. iii. [2] Lang, *Magic and Religion*, p. 47.
[3] *Formes elémentaires de la vie religieuse*, English translation by Swain, p. 47.

The general trend of opinion has been, indeed, away from the idea that any hard and fast distinctions can be maintained ; for psychological, sociological, and ethnological research have all gone to show the difficulty—nay, futility—of attempting to elucidate the matter by reference to historical sequence ; and, more importantly, a wide borderland, conveniently described as that of the magico-religious, has been recognized, within whose shadowy limits it is yet possible to discern the elements of what Professor Hobhouse calls the " materia magica " and the " materia divina,"[1] and even, perhaps, to separate them out, whilst yet remembering that they belong in some sense to the same department of human experience—" the x region of experience, the region of mental twilight," as Marett[2] puts it.

E. Sidney Hartland, for instance, in his *Ritual and Belief*, recognizes no decided boundaries between magic and religion, claiming that they both owe their origin to society, both concern themselves with forces " mysterious, far-reaching, constraining men and things"; while both use similar instruments to achieve their respective ends. Always, however, some disparity of aim is hinted at ; whence we must conclude that the magic which most writers have had in mind when dealing with the subject is sorcery—Black Magic—which certainly can only be described as anti-social in its tendency.

Tylor's now famous minimum definition of religion as a belief in spirits played a useful part when it was first framed in drawing attention to the universality of what, on this view, could be accepted as religious beliefs, and to the low cultural level at which they are discernible. But belief in itself does not constitute religion ; we have already noticed what stress is frequently laid upon the congregational and ritual elements involved as well as on the dual aspect of faith and works ; and it is, moreover, at least doubtful whether the belief in spirits does actually constitute the religious primordium. The attempt to determine whether Animism should in fact be accepted as the raw material from which more developed conceptions have evolved throws us back into those regions of primeval mystery of which we have already spoken.

Now, Marett's description of religion as the facing of the Unknown, and of its function as the restoration of men's confidence when it is shaken by crises, has been attacked on the ground that it ignores the whole of life so far as concerns the normal course of events. The Californian Hupa wakes in the morning, sees the dawn, and greets it with a silent prayer : this is surely religion, says Hartland—and yet it cannot be maintained that the man who prays is at his wit's end, or that the ordinary and expected has been replaced by the extraordinary and unexpected.[3] Yet, while this is, of course, true,

[1] *Morals in Evolution*, p. 396. [2] *Anthropology*, p. 209.
[3] Hartland, *op. cit.*, p. 86.

we venture to think that Marett is perhaps right in regard to the original attitude involved, and that the bringing of religion into relation with everyday life is rather one which has marked successive stages of development.

In one way or another, however, man would early realize that it were well that he should be on terms with the unknown world ; and it is in his attempts to handle the situation that magic and religion have their origin. The methods of the former, with reference to which indeed it may be defined, are marked, as we shall see, by the utilization of occult influences ; and though its ends may be achieved without the intervention of spirits, where these are invoked they are regarded as subservient. Religion, on the other hand, implies a slightly different attitude towards the world, and what has been called " a progressive apprehension of the spiritual," distinguished by the fact that the spirit is no longer the servant but the master, something to be propitiated and conciliated ; a change which can be conveniently illustrated by reference to the title of one of Dr. Marett's essays, " From Spell to Prayer."[1]

There can be no doubt that much magical procedure is the outcome of inaccurate observation, invalid inference, and imperfect ability to follow the links connecting cause and effect. Imagination, too, is vivid among simple folk ; and there is a tendency to give free play to the dramatic instinct, and to objectivize wishes to such an extent that there is probably more than a shred of truth in the contention that the peculiarity of savage beliefs in general is due to the influence of desire and anxiety upon imagination unrestrained by self-criticism, supported by the happy accidents of fortunate coincidence, and backed by popular consensus. The mind of primitive man is, moreover, ill-furnished to resist suggestion, with the result that he is easily imposed upon, both by himself and others : he tends to confuse seeming with reality, substance with attribute, similarity with identity—and thus the main forms of magical practice can be accounted for, in part at least, on psychological grounds.[2]

Of the first, founded upon a mistaken view of the possibilities of similarity, good examples are furnished by the doctrine of signatures,[3] certain fertilization rites, and the widely diffused practice of making images which are operated upon with the idea that the consequences of what is done to them will be felt by the original model. In the second case there is a tacit assumption that the continuous identity once connecting two things persists in spite of actual severance, and that the possession of a drop of a man's blood, or some clippings of his hair, will suffice to give a sorcerer power over him.

[1] *Threshold of Religion*, p. 29 *et seq.*

[2] Upon the psychological aspects of the question, see Carveth Read, *Origin of Man*.

[3] According to this doctrine, plants and other objects are "signed" in such a way as to indicate their use for certain purposes. Thus Dracunculus, a plant with markings somewhat resembling those on a viper's skin, was used in Pliny's time as a remedy for snake-bite.

But it is with the third form that we are more particularly concerned here—a form based upon the notion of power or force for which, as we have seen, Sir James Frazer fails to make adequate allowance when he claims to trace the source of all magical procedure to applications, or rather misapplications, of the so-called laws of association and sympathy.

We find, thus, that certain impersonal properties and qualities resident in such objects as precious stones, amulets, and talismans, are supposed to act directly, by way of emanation. The glowing stick will burn, moreover, and smallpox is infectious; whence by an easy generalization the Bechuana warrior is led to wear the hair of a hornless ox among his own hair, and the skin of a frog upon his mantle, in the belief that the slipperiness of the frog and the elusiveness of the ox will be transferred to him, and that such qualities will serve him well in the fight.[1] The sort of personal power associated with the objectivation of desire and the projection of will must also be recognized as very important; but what we should notice most particularly for the present is that in the notion of qualities and influences inherent in things, impersonal, transferable, and even quasi-material, we have a link with primitive religion. Marett, indeed, claims for such ideas a definite religious value in the eyes of those who entertain them, and proposes to substitute what he calls a "Tabu Mana" formula for that of Animism as a minimum definition of religion on the ground that Mana, "whilst fully adapted to express the immaterial—the unseen force at work behind the seen—yet, conformably with the incoherent state of rudimentary reflection, leaves in solution the distinction between personal and impersonal, and in particular does not allow any notion of a high individuality to be precipitated."[2] The attitude involved is perhaps best illustrated by reference to such beliefs as those of the Melanesians who, finding a stone marked with little discs, or a block of coral, say that it is "good to bring in money," and attribute the character stamped upon it to the action of an associated spirit which must be conciliated.[3] The more fluid conceptions of elementary force thus begin to crystallize. On the one hand, Mana is an instrument spelling power of a somewhat mysterious and often dangerous kind, which men can wield; on the other, it is itself a spirit which not only has, but is, Mana, and as a spirit becomes an object of respect.

Once we arrive in the spirit region, however, we have still to distinguish between the cruder forms of belief in which there is a tendency to endow all natural objects with some sort of life, and those higher manifestations derived from a perception of the human soul as quasi-material, separable from the body in which it dwells, and even transferable. But we must guard against the supposition that

[1] This example is given by Sir James Frazer, *op. cit.*, Vol. I, p. 151, as an illustration of what he calls "homoeopathic" magic.

[2] *Op. cit.*, p. 119. Tabu he regards in this connection as "the negative mode of the supernatural"

[3] Cf. Codrington, *Melanesians*, p. 191.

spirits at this early stage imply the "spiritual" in the sense in which we generally use the word to-day; for "essentially, the cult of Animism is not an adoration of a being higher than man, but a mode of influencing beings conceived as possessing powers which may be useful or harmful to the believer. . . . We are accustomed to think of the rudest religions as anthropomorphic, and to say that man first framed gods in his own image; but in truth, the majority of beings worshipped by primitive men are not human, but something less than human."[1] The animal-god and the man-god of this phase may, indeed, be the object of a cult; but the latter has been known to be a sorcerer, and the place of Great Spirits, of Supreme Beings, and of High Gods at such a low cultural level is still disputed.

The sphere of the magico-religious is, in fact, as we have hinted, a wide one, whose limits are necessarily ill-defined. Totemism, for instance, which some would place on one side of the borderland, and some on the other, seems really to fall within it, as although the bond of union which holds together the Totemic group is certainly of a magical character, the totem itself may be conceived and worshipped as a spirit; and even with the gradual evolution of gods who are more than human, more than terrible, beings not only to be feared and conciliated, but to be reverenced, we find that magical practices and beliefs still appear interwoven with those to which we are accustomed to assign a more definitely religious character. The doctrine of magic among the ancient Egyptians formed an essential constituent of their religious faith, the gods themselves being well versed in its intricacies; and in Babylonia and Assyria especially incantation and prayer were barely differentiated, the efficacy of the latter being to a great extent dependent upon the utterance of correct formulæ at the right time and in the right place.

In proportion as a finer idealism emerges, however, there grows up a conception of religion as a relation to the Unknown in which man takes his place as subservient to great spiritual powers, or a great spiritual being, for whom he feels a mingled awe and reverence, and towards whom, in so far as he regards them as responsible for the gift of life and the blessings of each day, he will feel love and gratitude. In such a system magic, sorcery, the utilization of occult influences for purely human ends, can clearly have no place.

It seems certain, however, that any attempt to prove that magic and religion were originally fundamentally antagonistic, or that one was necessarily and historically prior to the other, must proceed with the greatest caution. For they both, as we have seen, belong to the same department of human experience, and both have evolved as a result of man's attempt to get "outside himself," so to say, and into touch with something dimly perceived perhaps, but beyond the reach of his immediate apprehension. Both involve an element of faith, conscious or unconscious; and both (though this is an aspect

[1] Hobhouse, *op. cit.*, p. 375.

of the question on which we have been unable to dwell) furnish sanctions for social conduct.

Professor Hobhouse has laid particular stress on the fact that there are two ways of treating things in the primitive world ; the first, to act as if they were alive, or else inhabited by spirits ; the second, to treat them as united by occult connections.[1] According as the one aspect is emphasized, or the other, we can watch the emergence of religious beliefs and practices, or of magical—but this they have in common : they provide an outlet for man's overcharged emotions, help him to gather the confidence which he sometimes sorely needs in face of the Unknown, and to find expression for hopes, for fears, for aspirations.

And yet, while all this must be granted, and due allowance made for points of contact, it is obvious that as magic and religion have developed, or rather as with the growth of general culture the former has declined, the line of demarcation between them has become increasingly clear. As statements of *tendency*, therefore, we may accept most of the suggestions offered and criticized in the course of this paper ; that the term magic covers bad ways of dealing with the Supernatural and religion good ways, for instance, that magic is coercitive where religion is conciliatory ; that the former concerns itself primarily with the human will, and the latter with the divine ; that where religion is social in its manifestation and aims, magic tends to be individualistic and anti-social.

But the contrast is perhaps best emphasized by reference to the spiritual ; for though the magician may, indeed, have intercourse with spirits, it is always in an attempt to control them by spells, by incantations and other non-spiritual means, and to utilize them for human ends ; whereas the very essence of religion lies in the idea of service and communion *within* a spiritual order of which man feels himself to be a part, and by reference to which, as to something higher, better and infinitely nobler than himself, he may range his aspirations and conduct his life.

[1] Hobhouse, *op. cit.*, p. 380.

Legal Aspects of the Trade Union Movement in the U.S.A.

By W. F. Crick,
Cassel Scholar, London School of Economics.

American laws as they relate to the status and rights of trade unions are so confusing and apparently contradictory that it is a matter of great difficulty to find any definite policy or principle in the attitude taken up by the authorities towards labour combinations. State and federal laws conflict to such an extent, and press reports are often so inadequate and occasionally so biased as to run the outside observer into the risk of confusing the issue. This confusion of statutes, coupled with the enormous volume of case law bearing on the subject, and the absence of clearly enunciated legislative enactments regarding many important phases of the question, has three very important results. Firstly, the conclusion of collective agreements is severely impeded by the absence of reliable legal backing thereto. The integrity of the parties is the sole foundation for such agreements—a foundation which is not always so solid as could be desired, as witness the frequency in recent months of wage reductions forcibly effected by employers' organizations in direct contravention of agreements in force at the time. Secondly, both employers' and workers' organizations are involved in considerable expense by the necessity of employing attorneys who devote the whole of their time to the legal affairs of the organizations concerned. Such expense must impose a very serious burden on the finances of comparatively small and far from wealthy unions. Thirdly, cases in which labour organizations are involved give scope for the expression on the part of the judges of individual opinions, corresponding to their personal bias. Such personal opinions, made possible by the gaps and ambiguities in the existing law, only add to the confusion, and give rise to resentment based upon suspicion of favouritism or of actual corruption and a serious distrust of the constitution on the part of the adversely affected party. A King's County (N.Y.) judge, for example, recently declared that " with all due respect to the High Court of Appeal," there was in his view, " no such animal as peaceful picketing."[1] Obviously there is seriously needed a clear legislative restatement of the law regarding trade unions and their lawful activi-

[1] Cf the following two cases : In the Queen's County (N.Y.) Supreme Court the Amalgamated Textile Workers were restrained from picketing, persuading or advertising a strike ; while in the New York Supreme Court an injunction granted in a lower court against striking machinists was dissolved, on the ground that the court might not interfere where there was not violence or intimidation.

ties in the State of New York. Again, another judge announced some months ago that " the Courts must stand at all times, as the representatives of capital, of captains of industry," and that judges were elected " to oppose all schemes for the nationalization of industry." Naturally the labour unions fastened upon this utterance as a clear example of the bias of the Courts towards the employer's point of view, and the American Federation of Labour demanded the impeachment of the judge as a proof of the impartiality of the law.

The basis for many of the legal decisions adverse to labour organizations is the Sherman Anti-Trust Act of 1890. The Act was passed mainly with the object of attacking and breaking-up conspiracies in restraint of interstate trade, and the circuit courts were given power to prevent or restrain, by injunctions or otherwise, violations thereof. An attempt was made, at the time the law was enacted, to exempt from its provisions labour organizations and farmers' co-operatives, so that it is clear that the framers of the Act were not merely aiming at capitalist combinations and that the application thereof to trade unions was clearly, if not generally, recognized. The proposed amendment, however, was not carried and the result was that for some twenty-four years a campaign was waged to obtain relief from the stringent interpretation of the law by the Courts in cases in which unions were involved. It was early decided by case law that the Sherman Act applied to " combinations of labourers as well as of capitalists." Hence " a combination to secure or compel the employment of none but union men " (for example) " becomes a combination in restraint of interstate commerce when it seeks to enforce by violence and intimidation a discontinuance of labour in all departments of business, including the transportation of goods from state to state " (54 Fed. 994), and may be attacked according to the provisions of the law.

In 1908 a comparatively small local of the Hatters' Union was fined $250,000, at the instigation of the employers, for " conspiracy in restraint of trade," and forthwith an intensive campaign for the protection of the unions against the possible spread of this procedure was launched. The result was seen in the Clayton Act of 1914, which was claimed by Mr. Samuel Gompers, President of the American Federation of Labour, to secure " to the workers of America those fundamental principles of industrial liberty which were among the chief features of the political policy," for which the organization he represented stood. The Clayton Act, however, proved to contain numerous weaknesses from the unions' point of view, and Mr. Gompers' exultations proved somewhat premature. The Act declared that " the labour of a human being is not a commodity or article of commerce" and that "nothing contained in the Anti-Trust Laws shall be construed to forbid the existence and operation of labour organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or *to forbid or*

restrain individual members from lawfully carrying out the legitimate objects thereof." In Section 20 it was provided that no restraining order or injunction should be issued by any court of the United States, " unless necessary to prevent irreparable injury to property, or a property right, for which injury there is no adequate remedy at law."

The phrase " lawfully carrying out the legitimate objects thereof " was, of course, open to be interpreted by the Courts, and the illiberality of that interpretation has practically nullified the benefits which the Act was supposed to have conferred upon the unions. A recent case will illustrate the way in which this phrase constituted a weak point in the armour of the labour organizations. On January 3rd of this year a case was brought before the U.S. Supreme Court, which involved what the Court was pleased to call a " secondary boycott." It appears that, as a result of the failure of the International Association of Machinists to conclude a satisfactory agreement with the Duplex Printing Press Company, the union declared a boycott of that company's products. If a printer were to purchase a Duplex press, the machinists would refuse to set it up. The Supreme Court in this case upheld the injunction issued by a lower court against this practice of the union, on the ground that a " secondary boycott " was illegal, that is, was not a legitimate object of a labour organization. As illustrating the state of confusion existing in this branch of the law, the opinions of the three dissenting judges in this case may be quoted. Referring to the Clayton Act, " Congress," they said, " did not restrict the provision to employers and working men *in their employ*," and that, so far as in this case the union's action was in the nature of a sympathetic strike, " it was an instance of a strike of those who have a common interest to protect themselves by preventing use of products which part of them have tried to prevent manufacture of by a strike."

The effect of this decision on labour opinion generally may be exemplified by the utterance of Mr. Gompers, who declared the decision to be " a blow at the movement for human freedom and progress thoroughly in accord with the most ardent wishes of predatory greed." The view generally held amongst responsible labour leaders is that the outcome of the decision will probably be a distinct radicalization of the methods of the American trade union movement, hitherto notably conservative in its activities.

A still more recent injunction case will illustrate the danger to trade unionism still existing in the Sherman Act. For several months past a strike has been in progress in Mingo and McDowell Counties, West Virginia, against the refusal of the mining companies to recognize the United Mine Workers of America, which had been carrying on a strong campaign of unionization in that part of the country. Apart from this district, practically the whole of the coal-producing areas of the country are organized and conditions of employment are determined in the main by a national agreement. In

October the Borderland Coal Corporation, acting for some sixty West Virginia companies, filed a suit in the U.S. District Court of Indiana, alleging a conspiracy between the employers of the central competitive field, comprising Illinois, Ohio, Indiana and Western Pennsylvania, and the United Mine Workers in restraint of interstate commerce. In granting a temporary injunction, restraining the union from proceeding with their efforts to organize the non-union fields of West Virginia, the judge, relying on the Sherman Act, said, " This Court . . . does not hold that the United Mine Workers' Union, itself, is an unlawful organization, nor will it attempt to curtail its *lawful activities*, but it can enjoin the *unlawful activities* of the parties here in Indiana who are here now under the jurisdiction of this Court." In other words, a new interpretation has been put upon the term " lawful activities " as applied to a labour union, and the decision strikes a serious blow at national agreements between unions and employers. The injunction further restrained the employers from continuing the " check-off " system, by which the company deducts from its employees' wages the amount of union subscriptions and hands such amounts over to the union's officials. It was held that the practice—well established and practically universal in the U.S.A. coal-mining industry—was giving material assistance to the campaign in West Virginia and was, furthermore, a form of coercion compelling employees to join the union in those districts in which it operated. This part of the order, however, has been temporarily suspended, pending trial of the suit for a permanent injunction. This decision has caused consternation amongst trade unions and labour bodies all over the country, and the most strenuous efforts are to be put forward to have it reversed when the matter comes up for rehearing.[1]

It may be useful here to interpose a discussion of the proposed " Bill of Rights," which was adopted by a conference of bodies affiliated to the American Federation of Labour in February, which

[1] On December 15th the U.S. Circuit Court of Appeals, at Chicago, ordered the District Court judge to recast his decision, in which were found four serious flaws, which follow in brief :

1. (Relating in particular to the " check-off " system.) The performance of existing contracts between employers and unions should not have been enjoined.
2. The injunction should merely prohibit the sending of funds to West Virginia *for furthering acts of violence*. Funds might be sent for peaceful purposes.
3. The injunction should prohibit the unionization work of the national organization only in so far as it interfered with the operation of the mines.
4. The union should have been given an opportunity to obtain relief in some manner from the strict provisions of the injunction.

The decision is so recent that any discussion of its lasting effects would be premature. Clearly, however, Clause 1 is of immense value in stabilizing agreements between unions and employers' associations. Clause 3 would appear to be of too elastic a nature to appreciably elucidate the questions of the " right to organize " and the " right to strike."

has culminated in the drawing up of a bill which is to be duly presented for enactment in Congress and in the several state legislations. The Bill aims principally at protecting the workers' right to organize and at combating the frequent use of the injunction in labour disputes. It appears to be modelled on section 20 of the Clayton Act, and a comparison of the two shows clearly the intention of its framers to make good the defects discovered in that piece of legislation since its enactment.

(1) The Act lays down that an injunction may not be issued "in any case, between an employer and an employee, or between employers and employees, or between persons employed and persons seeking employment," unless necessary to prevent irreparable injury to property or a property right, for which there is no adequate remedy at law. The Bill, however, omits all mention of the parties to disputes arising out of which injunctions may not be issued. The omission of the phrase quoted would protect the union from injunction "in any case involving or growing out of a dispute concerning terms of employment or conditions of labour," and would apparently prevent the recurrence of decisions such as that rendered in the Duplex case, enjoining "secondary boycott."

(2) The vulnerability of the unions would be still further reduced by the omission from the Bill of the clause in the Act running "unless necessary to prevent irreparable injury to property," *et seq.*

(3) In enumerating the activities from the practice of which a union may not be enjoined, the Act frequently makes use of the words "peaceful" and "lawful"—thus, "peaceful" persuasion, "peaceful" communication of information, "peaceful" assembly, "lawfully" carrying out its legitimate objects, etc. The Bill, however, omits these qualifications, on the assumption, presumably, that the protection of persons and property in riots is sufficiently secured by the ordinary provisions of civil and criminal law, and does not necessitate the issue of injunctions.

The effect of these omissions would be to obliterate once for all the distinction (if any) between "peaceful" and other picketing, and would thus close one of the most fruitful sources of judicial inconsistency.

As illustrating the present anomalies and the extremes to which the use of the writ of injunction may be carried, a few recent cases may be cited.

At Tacoma, Washington, it was recently held that the selling of the local labour paper near a bakery where a strike was in progress constituted picketing, and such sale was therefore enjoined.

At New York, in September, a branch of the Fancy Leather Goods Workers' Union was enjoined from picketing the factory of a company which had broken a collective agreement with the union and begun operating as an anti-union shop. The judge refused to recognize the existence of any such activity as "peaceful" picketing. On the other hand, in July, in the Lucas County (Ohio) Court of Appeal, the right of unions to engage in peaceful picketing was un-

equivocally upheld. These two cases constitute an astounding example of the diversity of opinion as between state and state.[1]

What is perhaps a still more glaring example of the disparity between state laws involves the question of the legal status of labour organizations. Early in 1920 the United Mine Workers' Union was sued by the Pennsylvania Mining Company for damages in respect of injury to the Company's property during a strike, and, after a trial extending over four weeks, the plaintiff's company was awarded $100,000 actual damages. Hence the union was here recognized as a corporate body. But in Arkansas more recently, when a plaintiff sued the same union for $100,000 damages as compensation for the death of a non-union miner, caused, it was alleged, by union men in the course of a recent strike, the Court dismissed the case, holding that, as a voluntary unincorporated association, the union could not sue or be sued in that state.

In the Supreme Court, at Boston, Mass., in November, 1920, an injunction was issued restraining a union from paying benefits to members on strike.

These examples, which could be multiplied almost indefinitely, illustrate the constant danger in which the trade unions stand of defeat directly or indirectly attributable to judicial reverses. The power of the strike weapon lies mainly in its expeditious prosecution. It is the suddenness of the stoppage and the thoroughness with which it is immediately made effective which invests the movement with success. Hence the value of the injunction from the employers' point of view. A temporary injunction against picketing, for instance, will almost disarm a striking union, and before appeal can be made or the decision successfully completed at the hearing for a permanent injunction, the resources of the union will have run low and the morale of the strikers will have been seriously weakened.

It is plain that, until the status of the trade unions is clearly defined, until their rights are determined with something like nation-wide consistency, there can be little hope of mutual trust and confidence between employers and workers in the negotiations carried on on their behalf through the medium of their respective organizations. The growth of strong national unions or federations, such as the

[1] Since the writing of this article (December, 1921) an important decision relating to picketing has been rendered by Chief Justice Taft in the U.S. Supreme Court. The appeal arose out of the granting of an injunction by the Federal District Court, Granite City, Ill., against the Tri-City Trades Council, then conducting a strike. The case turned upon sec. 20 of the Clayton Act, and the proper interpretation of the phrases mentioned above, sec. 3. It was decided that the term " picketing " must be taken to mean intimidation and the use of methods of persuasion inevitably leading to obstruction. Hence " picketing " may be enjoined. On the other hand, " ex-employees and others properly acting with them shall have an opportunity, so far as is consistent with peace and law, to observe who are still working for the employer, to communicate with them and to persuade them to join the ranks of his (the employer's) opponents in a lawful, economic struggle." What commonly is termed " peaceful picketing " is, therefore, upheld as lawful.

Amalgamated Engineering Union, or the National Union of Railwaymen in Great Britain, making for something very closely approximating to uniformity of working conditions and terms of employment throughout the country, is very severely impeded, and the difficulty the unions must experience in attempting to steer clear of the federal and the various state laws must be well-nigh insuperable. It is due to this fact, in part, perhaps, that the progress of trade unionism is so much slower in the U.S.A. than in Great Britain, and that solidarity, whether of craft or of industry, is so much more complete in the latter country. Such is one—and not the least—of the important consequences of a federal form of government. To this fact may also be attributed the extraordinary importance of local bodies representing all kinds of unions, in the structure of labour organization. There is nothing quite like the American State Federation of Labour in this country. These bodies are composed of representatives of all types of craftsmen, and perform functions which would be beyond the powers of a single union, acting through its district committee. The activities of the State Federation in relation to the State legislatures are correspondent to those of the American Federation of Labour in its efforts to defend and advance the interests of the working-classes generally in so far as they are involved in acts of the Federal legislature. It is surprising in view of the circumstances, that, so far from pursuing a definite political campaign such as that followed by the British Labour Party, the American labour movement, as represented by the trade unions, strictly adheres to its policy of refraining from developing the political side of its organization. There is no Labour Party in America, and the gravity of this deficiency can scarcely be over-estimated. It is in America, of all places, that the political side of the labour movement should be of the utmost value. But, perhaps because of the long conservative tradition of the American Federation of Labour, cultivated by the forty years presidency of Mr. Gompers, the unions still rely for political defence and offence on the system of lobbying which is peculiarly prevalent in the U.S.A.

The secret of this gap in American labour organization probably lies in the fact that both by tradition and by conviction the native is essentially individualistic. Nothing will shake his belief in the principles enunciated in the Declaration of Independence and his distrust of Government, which he generally considers to be inherently corrupt. Further, it must be remembered that the American Federation of Labour does not represent the proletariat, as that word is commonly understood. American civilization rests upon a basis of low-grade alien and negro labour. Not only the capitalist but the artisan class as well, insists on preventing the rise of this stratum of society to a level approximating its own. Hence organized labour is not so keenly "class conscious" nor so comprehensive in its membership as in more homogeneous countries, while its individualism precludes it from committing itself to a socialistic

programme, on which the Labour Party in all countries is ultimately based.

If this article has accomplished nothing else, it should, at least, have established the fact of the need for clear statutory declarations of the status and rights of trade unions and the restraints to be placed upon their activities. The refusal on the part of certain employers to "recognize" the unions does not dispose of the hard fact of their existence, any more than the refusal to "recognize" bad teeth will prevent the stomachic consequences of their presence. It is true that the teeth may be extracted when they begin to make their presence unbearably painful, just as it is true that a union may possibly be restrained when its activities become of special annoyance to the employer. But the injured internal organs remain, and the unions remain, as integral parts of the individual or social organism, and will continue to make their presence felt at intervals which are generally most inconvenient to the party suffering for his negligence. We cannot do better than quote from Mr. Elbert Gary, President of the U.S. Steel Corporation, one of the leading exponents of the "non-recognition" policy. In his view, there are required "laws . . . clear, well-defined, practicable and easy of comprehension." In this, at least, one finds oneself in complete agreement with the speaker. Not only so, but they must cover, as far as is possible by statutory regulation, the whole scope of union activities, in order to ensure justice to employers and unions alike.

Early Commercial Intercourse between England and Germany

By A. Weiner,
King's College, London.

After the Anglo-Saxon conquest of Britain intercourse between the invaders and their old continental home was for a time completely interrupted. Not until England had become Christian and begun sending missionaries abroad to spread the Gospel was it resumed. And, as in more modern times, the trader soon followed the missionary. Yet such trade could not have been very extensive, since Germany was still too backward, its civilization too embryonic, its political organization too primitive for commerce to flourish. Thanks, however, to the efforts of the Early Carolingians, Germany made rapid strides in all directions which even the break-up of the Frankish Empire could not entirely arrest. Thanks, too, to the fostering care of the Saxon dynasty—more especially Henry the Fowler and Otto I—and the archbishops and bishops, numerous towns arose which soon became the homes of vigorous industrial and commercial life. This soon outgrew the native markets and sought an outlet overseas; and the great waterway of the Rhine indicated the direction which such activity could readily take. That brought England within the orbit of the commercial ambition of the German trader. Our country, moreover, could not easily deny itself certain foreign commodities nor avoid the export of its own surplus products by foreigners, as it lacked both the necessary merchant ships and trading capital, both of which the German cities already possessed. These were the conditions that determined the modest beginnings of the commercial intercourse between the two countries under consideration. It is true that this intercourse was already sufficient to attract the attention of Charles the Great. But although no less an authority than Dr. Cunningham[1] has described his letter to Offa of Mercia assuring justice and protection to English pilgrims and merchants whom business impelled to travel abroad, as "our earliest commercial treaty," yet we have no evidence of the existence of any appreciable volume of trade between the two countries! In fact, two centuries elapse before we have indisputable proof of direct trade between England and Germany and any account of its character. It is found in the well-known statement in the "Institutes of London" that regulated the tolls payable by merchants using the various landing places at Billingsgate. Among those who discharged their goods at these wharves were

[1] Cunningham, *Growth of English Industry and Commerce* (3rd ed.), i, 84. Charles' letter has been often reprinted, e.g., Wilkins, *Concilia*, i; Hakluyt (ed. 1599), i, 125; Haddon and Stubbs, *Councils*, iii, 496, etc.

" Men of the Emperor "—a term that for a long time designated the merchants of Cologne.[1]

After enumerating the contributions in kind they were to make, these " men of the Emperor " are declared to be worthy of the good laws—a privilege, though vague and undefined, yet, undoubtedly, sufficient to secure the foreign merchant from the hostility and molestation which were among the lesser dangers that threatened him in his search for profitable trade.

The international position and political sagacity of Canute enabled this sensitive plant of commerce, so slow to take root, to grow a little stronger. He has himself described how, on his memorable visit to Rome, he entered into a mutual compact with Rudolph, King of Arles, that freed all merchants and others who desired to trade in the commercial centres of their respective realms from all tolls.[2] However gratifying this arrangement might have proved to the two monarchs it affords little material for definite conclusions. Moreover, as the Norman invasion followed so closely upon the extinction of the Danish dynasty, whatever continental trade we already possessed was inevitably deflected westwards and the nascent intercourse with Germany again recedes into obscurity, at any rate, so far as documentary proofs of it are concerned.

With the accession of Henry II a marked change is immediately apparent, and a concession to the men of Cologne to sell wine in the open market, in competition with French merchants, shows that the Rhine city had not relinquished the advantage of having been first in the field in English trade.[3] But it was no longer without competitors from Germany itself. Apparently Bremen had also traded with our island early in the eleventh century,[4] while a votive tablet of the twelfth century, dedicated to St. Bernward, Bishop of Hildesheim, and placed in the monastery of St. Michael at Hildesheim, records the gratitude of a number of Bremen merchants who were rescued from the horrors of shipwreck during a voyage to England by the intercession of the same saintly bishop.[5] Tiel, near the mouth of the Rhine,[6] and Ribe, on the west coast of Jutland,[7] were also for a time rivals for the trade with England.

[1] Thorpe, *Ancient Laws and Institutes*, p. 127; Lappenberg, *Geschichte des Londoner Stahlhofes*, no. 1; *Hansisches Urkundenbuch* (*H.U.B.*), for " men of the Emperor," i, nos. 116, 120, 422, 428, 431-436, 454, 701, 808, 832, 905, etc. Cf. also *Hanserecesse* (*H.R.*), i, p. xxvi: " Diese Leute des Kaisers waren insbesondere wohl die spätere ausschliesslich genannten Kölner."

[2] Wm. of Malmesbury, *Gesta Regum* (*R.S.*), p. 222.

[3] Henry's letter, addressed to the sheriffs and bailiffs of London, is dated 1157. *H.U.B.*, i, no. 13; Lappenberg, no. 3.

[4] Pertz, *Monum.* iv, 784: *Miracula Sancti Bernwardi.* St. Bernward was consecrated Bishop of Hildesheim in 993. The " miracula " were composed early in the next century.

[5] W. von Bippen, *Geschichte der Stadt Bremen*, i, 80.

[6] *Hansische Geschichtsblätter* (*H.G.B.*) for 1875, p. 25; and Pertz, iv, 718; Alpertus, *De diversitate temporum*, ii, c. 20.

[7] Adam of Bremen, *De Situ Daniae*, quoted by Macpherson, *Annals of Commerce*, i, 284.

All these were, however, gradually outstripped by Cologne or absorbed into the confederacy of Westphalian towns of which this city became the head. Its central situation and the splendid waterway that connects it both with the distant interior and the shores of the North Sea marked it out as a commercial centre for the traders of the Empire. So large was the number of foreigners who annually visited Cologne for trading purposes that special accommodation for the reception of the living and a separate cemetery for such as died there had to be provided.[1] To its fame as a commercial metropolis must be added its religious attractions. The shrines of the "Three Kings" and the relics of 11,000 virgins were among the inducements that drew thousands of pilgrims—those precursors of the merchants—to its precincts. Its praises are recorded by historians and sung by poets; one of the former declares that it surpassed all the cities of Gaul and Germany.[2] Part of its reputation and pre-eminence it also owed to the importance of its archbishops, many of whom were among the most prominent political and religious leaders of the early Empire. One of them, Anno II (1056-75), is traditionally credited with having rendered assistance to Duke William of Normandy in his enterprise against England.[3] Later the merchants of Cologne claimed to have received their privileges from the Conqueror and though this may have had no more secure foundation in fact than the "Forged Donation of Constantine," it was equally sufficient in mediæval times upon which to found the claim for the monopoly these wily merchants held in England for a time.

The supremacy of Cologne was further confirmed by the steadfast support she gave to the Hohenstaufen Emperors, especially Frederick Barbarossa, whose political difficulties compelled him to maintain a close friendship with Henry II. In an exchange of letters between the two sovereigns promising protection to the merchants of their respective countries, Henry is unusually submissive and declares himself ready to obey the authority of the Emperor.[4] This correspondence led to the issue of a document by Henry in favour of Cologne which its merchants ever after regarded as a charter conferring special privileges upon them and establishing their rights above all other German towns that sought to gain a foothold in this country.

[1] Ennen, *Geschichte der Stadt Köln*, i, 483.

[2] Wm. of Malmesbury, *De pontificibus* (R.S.), p. 425, and Otto Frising, "*Gesta Frederici*," Pertz, xx, 253. A poet quoted by Ennen (i, 483) says: "Das ist eine der schönsten Städte so in deutschen Landen je erstanden."

[3] Pertz, v, 216. Cf. also Ennen, i, 336, and Sartorius, *Ursprungliche Geschichte der deutschen Hanse*, i, 5.

[4] Hakluyt, i, 128, from *Radivicus Canonicus*, the continuator of Otto Frising, "*Gesta Frederici*" (Pertz, xx, 419). This letter is sufficiently interesting to merit quoting: "Regnum nostrum et quidquid ubique nostrae subicitur ditioni, vobis exponimus, et vestrae committimus potestati, ut ad vestrum nutum omnia disponantur, et in omnibus vestri fiat voluntas imperii. Sit igitur inter nos et populos nostros dilectionis et pacis unitas, unitas commercia tuta, ita tamen ut vobis, qui dignitate preeminentes imperandi cedat auctoritas, nobis non deerit voluntas obsequendi."

It is addressed to all officials, who are informed that the king has taken all the Cologne merchants under his protection; they are commanded to treat these traders as his own subjects and friends so that they may suffer no kind of injury; their headquarters in London must not be molested; they are not to be subjected to unusual customs; and if anyone transgresses these regulations to the injury of the merchants, full justice must be rendered to them with all possible speed.[1] These comprehensive and valuable privileges Cologne shared with the smaller towns in Westphalia and the Rhineland that placed themselves under the protection and patronage of the city;[2] they made Cologne so supreme in the Anglo-German trade for three-quarters of a century that when Hamburg and Lübeck later entered into competition with her a long struggle ensued before these cities and their allies, who subsequently formed the nucleus of the great Hanseatic League, were able to oust her from her privileged position.

One point, however, is not clear. No mention is made of any payment for the concessions received, though we know from later evidence that Cologne paid two shillings per annum for its Guildhall in London. Richard I remitted this payment as a reward for the signal services rendered him by the Archbishop of Cologne. The latter had acted as arbitrator between Richard and the Emperor, so that on his way home from his captivity the English king visited Cologne and received not only its Archbishop's homage, but that of his colleague of Mainz, his old enemy the Archduke of Austria, the Duke of Louvain and others, saving their fealty to the Emperor.[3] The citizens likewise received proofs of the royal favour. The grant containing the remission just mentioned included exemption from all other customs and tolls in London and the rest of the kingdom, free right of ingress and egress into and out of the country, access to all fairs and freedom to buy and sell throughout the land.[4] Richard's

[1] Henry's desire to favour the Cologne merchants is well illustrated in this letter: "H., Dei gratia rex Angliae, etc., justiciariis, etc., salutem. Precipio vobis, quod custodiatis et manuteneatis et protegatis homines et cives Colonienses sicut homines meos proprios et amicos et omnes res et mercatores suas et possessiones, ita quod neque de domo sua Londonensi (Gildhalla sua) neque de rebus neque de mercaturis suis aut aliquibus aliis ad eos spectantibus injuriam aliquam vel contumeliam eis faciatis nec fieri permittatis, quia (fideles mei sunt et ipsi) omnia sua sunt in custodia et protectione mea. Et ideo firmam suam pacem habeant faciendo rectas consuetudines, et nullus exigatis ab eis novas consuetudines vel rectitudines, quas facere non debeant facere solebant. Et si quis eis super hoc in aliquid foris fecerit plenariam eis inde sine dilacione justiciam fieri faciates." The date is somewhat uncertain. Lappenberg (ii, no. 2) prints it from a copy of the Cologne "*Copial*" book of 1326 and assigns it to 1157 on the ground that it was written at Northampton, whence Henry had addressed his letter to Frederick I in that year. Cf. also *H.U.B.*, i, no. 14. In June, 1175, Henry repeated this "charter" in almost identical terms (Lappenberg, no. 4).

[2] Schanz, *Englischer Handelspolitik*, i, 173; also K. Kunze, in *H.G.B.* (1889), p. 130; and Höhlbaum, 1875, p. 25.

[3] *Roger of Hoveden* (R.S.), iii, 234. [4] *H.U.B.*, i, 40, Lappenberg, no. 5.

subsequent wars with Philip Augustus and his efforts to build up an alliance of German princes against his enemy proved a further bond of union between the great trading mart of the Rhine and England, resulting in a fresh shower of favours in the reign of his successor whose foreign policy and the methods by which he sought to attain his ends resembled Richard's so closely.

The death of the Emperor Henry VI, with the disputed succession that followed, re-opened the ancient quarrel between the rival houses of Guelf and Hohenstaufen and re-acted materially upon the trade between England and Germany and more especially between England and Cologne. The English royal house, allied by marriage with the Guelfs, lent its aid to secure the election of its relative, Otto, and Cologne brought its influence to bear in the same direction. The support thus given to John's nephew brought in its train a letter of thanks from the king with an assurance of his protection for their goods and persons and free entry to all parts of his kingdom, reserving to himself the ancient royal dues and customs.[1] About two years later, when Otto's position was somewhat critical and his partisans needed further encouragement and additional inducements to remain in his allegiance, John repeats his assurance of protection, and again extends to the merchants of Cologne the right of free entry with their wine and other merchandise so long as they remained faithful to his nephew's cause.[2] For once in a way the perfidious Angevin kept his word and a letter to the sheriff of Norfolk instructs that functionary to pay two Cologne merchants the sum of 20 marks for two casks of wine taken from them for the king's use.[3]

Yet, in spite of royal letters and favours foreign traders were still subject to a host of dangers and annoyances from officials and others. In a case preserved in the "Abridged Pleas"—the exact date is uncertain, but it was some time in the reign of John—we find two citizens of Cologne complaining that they had been summarily seized by the sheriffs of London and thrown into prison, where they were detained until they had paid three marks and that they could obtain no redress—the letters patent of the King and the Emperor notwithstanding.[4]

But perhaps this took place after 1206, when, Otto having been defeated outside the very walls of Cologne, the city had been compelled to acknowledge the supremacy of his rival, Philip of Swabia,

[1] *Foedera* (ed. 1816), p. 88. Apud Winchester, Apr. 11, 1203; so Sudendorf, *Die Welfenurkunden*, no. 6. Lappenberg (no. 7) dates it 1204 on the authority of Rot. Chart., p. 125, whence we learn that the king was at Winchester on Apr. 13, 1204, and at Portsmouth on the 11th and 12th. According to the Itinerary of King John prefixed to the Pat. Rolls (ed. Hardy), John was in France the whole of Apr., 1203, so that Lappenberg's correction must be accepted.

[2] Pat. Rolls, 48*b*: "Quamdiu ipsi fuerint in fidelitate et fide Regis Othonis nepotis nostri."

[3] Ennen and Eckertz, *Quellen zur Geschichte der Stadt Köln*, ii, 19, and Lappenberg, ii, 19.

[4] *Placitorum Abbrevatio*, p. 75.

the friend and ally of Philip Augustus of France, John's bitterest enemy, so that the king would no longer be at such pains to conciliate the powerful city. Or it may owe its origin to a later date, when John, having lost the confidence of the nation, the Londoners felt themselves free to disregard his letters of protection. Whatever be the reason or explanation of this conduct on the part of the citizens of London, we are right in inferring that, so far as the king was concerned, it could only be a passing cloud, a temporary reaction against a city that had fallen into the hands of a rival, since it was not long before the Cologne merchants again enjoyed the royal favour. John's needs were too pressing and his plans too far-reaching, his political craftiness too great, to alienate such valuable support. His quarrel with the pope was no sooner ended than he began to weave that web of alliances by which he hoped to crush first Philip Augustus, and then his recalcitrant barons. To the period of the epoch-making battle of Bouvines, therefore, belongs a fresh series of documents granting privileges and extending his protection not only to Cologne, but to a large number of Flemish towns, to Bremen and to individual merchants from other parts of Germany. In 1213 he repeated Richard's remission of the annual payment of two shillings for their Guildhall, but added a saving clause in favour of the liberties of London. This was, no doubt, intended to attach the capital to his side or may have arisen out of their recently manifested hostility towards their foreign competitors.[1] In all other particulars the privileges remained the same.

But even after his own defeat and the defeat of his allies the king still continued to issue letters on behalf of merchants hailing from the Imperial dominions, and probably reaped a golden harvest in cash from the transactions to be stored up for use against his own subjects with whom he now felt free to settle his long outstanding account. Immediately on his return to England he ordered the bailiffs of Lynn and Southampton and the sheriff of Norfolk to release a number of ships belonging to the men of the Emperor and to ensure their safe departure home.[2] A similar order was sent next year to the archdeacon of Taunton enjoining the release of one Stephen Crabbe, if he had restored to the merchants "from the land of the Lord Emperor, our nephew," the goods which he had seized.[3]

Apart from such grants and interventions John seemed to have employed some of the German merchants who frequented our shores as intermediaries in his continental affairs, though in what capacity it is difficult, from the information available, to determine. They could scarcely have had regular diplomatic missions, but as messen-

[1] *H.U.B.*, i, 84, and Pat. Rolls, p. 93: "Salvo libertate civitatis nostrae London." There had been a previous renewal in 1210. *Ibid.*

[2] Close Rolls, i, 211*a*, and *H.U.B.*, i, 116; *H.G.B.*, 1875, p. 74; and also *H.U.B.*, i, p. 44 (Aug. 24, 1214).

[3] Close Rolls, i, 193*a*, and *H.U.B.*, i, p. 45. Belongs to July, 1215.

gers or " intelligencers " when urgent matters were afoot they could have proved invaluable. At any rate that is not an exaggerated inference from an instruction to the bailiffs of the port of Sandwich to facilitate the journey of a merchant of Cologne to London as the king required his services, especially as their colleagues of Yarmouth had already received orders to hasten the merchants' departure from England.[1] The date of these transactions is November, 1212, when John's affairs were critical. The pope was about to launch his decree of deposition, if he had not already done so, and the Emperor Otto IV was rapidly losing ground before Innocent's protégé, the young Frederick II. By the middle of the next year the same merchants were back again in England ; this time, apparently, in pursuit of their ordinary avocations, to make purchases at the fair of Hoyland in Yorkshire.[2] But the battle of Bouvines had already been fought and the great confederacy by which John had hoped to recover his lost possessions and Otto his declining power had been broken up and the urgency of continental communications for the time disappeared. Nevertheless the extension of our foreign trade and the benefits that accrued from it are among the many substantial advantages that the country has reaped from the memorable struggle of John against the internal and external forces that finally overcame him. Foreign commerce was now recognized as a necessary branch of national activity, worthy of the notice even of feudal barons. One of the articles of the Barons presented by them to the king on June 15th, of 1215, demanded security for merchants travelling on business.[3]

In the Great Charter itself the clause was amplified and extended to include all foreign trade and to provide a method of dealing with aliens visiting these shores in time of war.[4] The number of foreign traders must have, by now, become considerable since the city of London found it necessary to frame a very elaborate code of regulations, circumscribing the commercial operations of the Lorrainers, " the men of the Emperor of Germany," the Danes and Norwegians.[5] In this constantly increasing trade we have seen that Cologne had, by a series of events favourable to her and by remaining steadfastly loyal to the Guelf cause, acquired a pre-eminent position, from which the competition of other towns only with difficulty succeeded in ousting her. The history of this competition almost coincides in duration of time with the history of Henry III. But even in John's reign other German towns were coming forward to take their share in the English trade. In 1206 he granted a Saxon merchant full trading rights on payment of the usual customs.[6] Seven years later

[1] *H.U.B.*, i, no. 95, and Close Rolls, i, 127*b*, and Lappenberg, no. 13.
[2] *Ibid.*, i, no. 104 ; i, 137, and no. 14.
[3] *Articles of the Barons*, Stubbs' *Charters*, i, 293, Art. 31.
[4] *Magna Carta*, Art. 41.
[5] Riley, *Munim. Gildh.*, introd. pp. xxxv-xxxix and pp. 61-64.
[6] Pat. Rolls, 57*b*. Note that the grant stipulates that the merchant must not carry horses, arms, or victuals out of the kingdom exceeding the value of 2 marks. John was still making efforts to recover his lost dominions.

a more important competitor was called into the field—one that we have seen holding commercial relations with this island more than two centuries earlier; and the letters patent issued to Bremen on July 26th, 1213, resembled those which Cologne had so frequently obtained. They likewise constituted a reward for loyalty to the Emperor Otto, but had evidently not been earned by such signal service to that cause as that of their rivals, for it only applied to such merchants of Bremen who were recommended by the emperor's letters patent and was subject to the king's pleasure.[1]

The inauspicious commencement of the next reign forced the triumvirate that ruled England in Henry's name to adopt a concilia tory policy. The efforts of the Regent, William Marshall, to secure the peace of the land reacted upon commerce and rendered its operations more secure. Within less than three months of the peace of Kingston between Louis and Henry, some merchants of Bremen received letters of safe-conduct,[2] and about the middle of the next year a general safe-conduct extending to all foreigners desiring to visit the market of Southampton was issued.[3] Under such circumstances our foreign commerce increased in importance, and merchants now begin to flock from all parts of the Empire. The number of letters of protection and safe-conducts and commands issued to officials of all ranks to facilitate such trade become every year more numerous. In this they likewise benefited from the frequent disputes between England and Flanders when trade with the latter was forbidden. Here are a few typical examples of such documents. On July 18th, 1223, Gilbert of Sleswick receives permission to trade in England until next Easter;[4] on June 4th, of the same year, the bailiffs of Winchelsea are ordered to place no obstacle to the departure of Herebod of Bremen, with the merchandise of the Saxon merchants.[5] Nine days later an order to the bailiffs of Lynn commands them to liberate the ships of a number of merchants of Stavoren, Groningen, Cologne and others whose place of origin is unspecified, men "of the Emperor of Germany and the Duke of Saxony," notwithstanding the previous order for the arrest of all foreign ships.[6] In fact, during the whole of this year, while the ports were closed to keep out Flemish merchants, it was necessary to send orders similar to the foregoing to the ports in favour of the

[1] *H.U.B.*, i, 205; Lappenberg, no. 16, and Pat. Rolls, p. 102: "Sciatis quod concessimus hominibus carissimi nepotis nostri domini Romanae Imperatoris de Bremen litteras patentes eiusdem Imperatoris secum deferentibus testificantes quod homines eius sint de eadem villa quamdiu nobis placuerit." See also W. von Bippen, *Geschichte der Stadt Bremen*, i, 120.

[2] *H.U.B.*, i, 141, and Pat. Rolls, 2 Hy. III, p. 129. Peace was concluded on Sept. 11, 1217.

[3] *H.U.B.*, i, p. 48, n. 3, July 29, 1218.

[4] *H.U.B.*, i, 156, and Pat. Rolls, 7 Hy. III, p. 377.

[5] *H.U.B.*, i, 159; Lappenberg, no. 19, and Close Rolls, i, 604.

[6] *H.U.B.*, i, 160; Lappenberg, no. 20, and Close Rolls, i, 604*b*. The order was part of the plans for an expedition against France to recover Poitou, which had been seized by Louis VIII. *Foedera*, i, 174.

Germans. For that reason the bailiffs of Portsmouth are commanded to release the vessels of Gerhard of Stavoren and Gottschalk of Hamburg.[1] The latter name is particularly interesting as the first documentary evidence of trade with Hamburg. On the same day the constable, mayor and sheriffs are ordered to accelerate the departure of the ships of two Stavoren merchants, "men of the Emperor of Germany."[2]

During the next month a further batch of such letters are received by the bailiffs of Yarmouth,[3] Lynn,[4] the mayor and sheriffs of London,[5] concerning a number of vessels belonging to Antwerp, Bremen, Emden and Stavoren[6] and some places unnamed. Towards the autumn a large number of mandates and licences to traders from the Empire,[7] Flanders,[8] the territories of the Dukes of Louvain[9] and Saxony.[10] Bremen[11] and Groningen.[12] Some of these appertain more particularly to the fairs of Winchester and Southampton, and order the unimpeded departure of the merchants who had been recently arrested by the officials of these two towns. The importance of such protection both to the foreigner and the native is obvious, for it was at these regular markets or fairs that the exchange of commodities, enabling the native to purchase imported articles, could take place.[13]

Though difficulties such as those referred to were constantly arising, yet, while the embargo upon French and Poitevin vessels lasted traders from Central and Northern Europe held a decided advantage and their vessels—especially fishing vessels—were free to come and go as they pleased. That they utilized the opportunity is proved by the new countries and districts that find more frequent mention in the documents.[14] Of particular value is the reference to the "men of the eastern parts," the later "Easterlings," the name by which members of the Hanseatic League were afterwards known. This must have included Lübeck and other towns of the Baltic coast, for it was just about this time that the later "Queen of the Hansa" had begun its struggle against its formidable competitors—

[1] *H.U.B.*, i, 161, and Close Rolls, i, 607*b*; Lappenberg, p. 9.
[2] *H.U.B.*, i, 162, and Close Rolls, i, 608.
[3] *H.U.B.*, i, 163, and Close Rolls, i, 608*b*, July 1, 1224.
[4] *Ibid.*, i, 165, and p. 610. [5] *Ibid.*, 166, p. 610*b*, and Lappenberg, no. 21.
[6] *Ibid.*, 167, and *ibid.* p. 614 and 638*b*.
[7] *H.U.B.*, i, 171, and Close Rolls, i, 620*b* and 645*b*; Lappenberg, no. 23. The merchants had to prove that they were in no way under the authority of the King of France.
[8] For Flanders, cf. *H.U.B.*, nos. 170, 172, 173, 176, 177, 180.
[9] For Louvain, *ibid.*, nos. 175, 182.
[10] *Ibid.*, 177; Close Rolls, i, 623*b* and 649.
[11] *Ibid.*, 179, and Pat. Rolls, 8 Hy. III, p. 474. The merchants of Bremen were still viewed with some suspicion as in the days of John: "Accepta ab eis securitate quod pro posse suo cum cogga sua predicta et rebus et mercandisis suis se non diverterent ad terras inimicorum domini regis."
[12] Pat. Rolls, 9 Hy. III, Jan. 3, 1225. [13] Cunningham, i, 181.
[14] *H.U.B.*, i, 169; Lappenberg, 22; Close Rolls, i, 617*b*; Ennen and Eckertz, *Quellen*, ii, 81.

Cologne, Bremen, etc.—to gain a share in the evidently lucrative and much coveted trade with England. Unable to contend alone against these rivals—how valuable may be inferred from an entry given by Madox[1]—Lübeck had recourse to the Emperor Frederick II. The latter, in a charter which he granted to the citizens of Lübeck in June, 1226, states that they were hindered in their trade with England by the jealous interference of Cologne and Tiel, and he forthwith frees them from the exactions of these towns and grants them the same rights and privileges as those enjoyed by other towns.[2] The moment was propitious as Lübeck was beginning to take the lead in the commerce of Northern Europe. She was rapidly rising in importance and clearing the ground for her later development. Already during the Third Crusade detachments from Lübeck and Bremen had distinguished themselves by the care they bestowed upon the wounded. Out of these charitable efforts, by the encouragement given them by the Duke of Swabia and others, arose the hospital of the Virgin Mary, converted later by Honorius III, at the instance of Frederick II, into the famous Military Order of Teutonic Knights, to whom Frederick generously granted Prussia and Livonia. But they had first to conquer these lands and as they advanced so did the traders of the cities whence the Order originated penetrate the territories newly won for Christianity and Germanism.

The same two cities next espoused the cause of Henry of Schwerin in his struggle against Waldemar II of Denmark, who had overrun his lands during his absence on crusade. The German combination had the good luck to capture the Danish king, compelling him to purchase his freedom by the treaty of Bordewieck.[3] The conditions of release included certain valuable trading privileges which were more securely established by a second defeat inflicted upon Waldemar at Bornhöved (1227)—a victory to which Lübeck and Bremen materially contributed. Co-operation in arms for a common end led to closer union in all matters, and in the year 1225 they arrived at an agreement granting reciprocal free trade to each other.[4] This combination linked up the Baltic and North Seas so that English commodities, through the agency of the two cities, could now penetrate the lands of the inland sea to the east of Germany. It is, therefore, significant that it should be just when the inhabitants of these cities were becoming conscious of their power and were winning trading rights at the point of the sword that they should seek to force

[1] *Hist. of the Exchequer*, i, 414: "Cives Coloniae reddunt compotum de XXX marci pro habenda saisina de Gildhalla sua in Londonia." Cologne was much too valuable to the king that he should lightly tolerate rivals.

[2] *Lübisches Urkundenbuch* (*L.U.B.*), i, 35; *H.U.B.*, i, 64; Böhmer, *Regesta Imperii*, v, i, pp. 330-331.

[3] Prutz, *Staatengeschichte des Abendlandes im Mittelalter*, i, 622 *sqq.*

[4] *L.U.B.*, i, no. 31: "Scire vos, nos cupimus, quod jus nostrum et jus vestrum esse debet et vice versa ita ut vestri burgenses cum bonis suis, sive occupatione in civitatem nostrum deductes, in nostra civitate per omnia ea pace et securitate gaudere debent, qua nostri burgenses cum bonis ipsorum frui dinoscuntur."

an entry into England. They seem to feel their young energies expanding and search for new outlets for them. Henry's preparations for war against France to recover the lost English possessions were accompanied by the closing of the ports to French vessels, and the trade thus shut out was seized with avidity by the newcomers. Not only do they exert themselves to obtain licences, letters of safe-conduct and other customary means of establishing themselves in a foreign country, but, following the precedent of the previous reign, they assist the king as intermediaries between him and his continental allies and finance his emissaries abroad in order to gain his favour and demonstrate the valuable services they were able to render him.[1]

These individual instances indicate a steady and continuous growth of our commercial intercourse with Germany—and more particularly with the northern half of that country, which was further extended by a more general grant dating from November 10th, 1230, to the merchants of the Duchy of Brunswick. The king had recently returned from one of his fruitless expeditions in France, and to raise further supplies for fresh efforts to recover his inheritance he seized upon the opportunity which the foreign traders afforded.[2] He may also have been prompted by the ties of relationship which existed between him and the Duke of Brunswick and that general regard for aliens which he displayed throughout his reign.[3] Whatever the cause, the merchants who could prove that they were the Duke's subjects were taken under the royal protection and were granted full trading rights on the payment of the usual dues.[4]

Further efforts by the king of a similar character were necessary next year; this time in behalf of the merchants of Cologne.[5] This was perhaps due to the general insecurity of foreigners arising out of the papal exactions of that year, which had provoked popular risings all over the country.[6] A few years later (November 8th, 1235) Henry again renewed the charter granted to Cologne by his father, freeing them from their payment of 2s. for their hall—so that it would seem that the remission previously made by Richard I had not been permanent.[7] He then took immediate steps to carry

[1] For licences, cf. *H.U.B.*,i, 185, 187, and Pat. Rolls, 9 Hy. III, pp.500 and 509. For repayments of money expended on the king's behalf, cf. *H.U.B.*, i, 189, and Close Rolls, ii, 46, where the treasurer is ordered to pay Henry Lupus, a merchant of Groningen " of the land of the emperor," the sum of £40 which he had advanced to the Bishop of Carlisle and Colin de Molis while on the king's business in Germany. On another occasion he is paid £20 for similar services to another officer. Orders to liberate ships are given in *H.U.B.*, 210, and Close Rolls, ii, 135*b*, and again *H.U.B.*, i, 234 and 235; Close Rolls, 14 Hy. III, pp. 364 and 369. For an order to allow a ship bringing Norwegian knights and Saxon merchants, cf. *H.U.B.*, i, 227; Hakluyt, i, 130; and Lappenberg, no. 24.

[2] Cf. Stubbs, *Constit. Hist.*, ii, 42 (3rd ed.).

[3] Otto, D. of Brunswick, was a grandson of Matilda, daughter of Hy. II, who had married Hy. the Lion and a nephew of Emperor Otto IV.

[4] *H.U.B.*, i, 237; Rymer, i, 1, 199, and Lappenberg, no. 25.

[5] *H.U.B.*, i, 241; Pat. Rolls, 15 Hy. III, p. 431.

[6] Stubbs, *Constit. Hist.*, ii, 43.

[7] *H.U.B.*, i, 268; Lappenberg, 26; Ennen and Eckertz, *Quellen*, ii, 149.

out his promises by informing the bailiffs of Hoyland of his act. In the letter addressed to these officials he strictly charges them "to support, protect, and defend the aforesaid merchants, their goods, merchandise and all their possessions, neither causing nor allowing them to suffer any molestation, injury, loss or insult, and if any such be incurred by them they must be instantly amended."[1] The next year the bailiffs of Yarmouth are ordered to return the 53s. 4d. which they had extorted from some Cologne merchants and to respect the privileges granted them by the king.[2] This continued favour shown towards this city, upon whom the competition of its rivals was now pressing heavily, must be attributed to the unshaken loyalty with which it supported the Hohenstaufen emperor, who this year married the king's sister Isabella.

In the meantime Henry's necessities were increasing. His incapacity, his extravagance and his partiality to his wife's relations—he had married in January, 1236—led to the rapid exhaustion of his ordinary revenues and frequent demands from the barons. But as these demands met with opposition he had recourse, to some extent, to the foreign merchants. His dealings with them are exemplified in a document of 1236. For a sum of 100 marks he granted complete trading rights to some Flemish merchants, reserving to himself the right of revoking it within a year on return of the money; if it is then not revoked the grant shall be permanent.[3] But of greater significance is the evidence afforded by a number of transactions with the traders of Gothland. On December 2nd, 1237, some of them received the right to trade with England for three years—the privilege to date from Christmas.[4] Before this temporary grant had expired the king made it perpetual by a charter, not only embodying the indispensable right of buying and selling, importing and exporting commodities in and out of the kingdom, but even exempting them from all toll and custom usually paid by merchants both upon goods imported and exported by them.[5] Evidently these newcomers provided him with the furs which he seemed to have purchased in large quantities,[6] and so found favour with him.

That these merchants were Germans there can be little doubt, since they completely dominated the island. For years already the Germans had extended their activity along the coasts and islands of the Baltic, and Wisby, in the island of Gothland, south-east of Sweden, already an important mercantile centre, had become their trading depôt. There they had acquired substantial recognition. They had representatives on the town council, a steward of their own, and

[1] *Ibid.*, 269; Ennen and Eckertz, ii, 150; Böhmer, *Regesta*, 117.
[2] *H.U.B.*, i, 271. [3] *Ibid.*, no. 279. [4] *Ibid.*, no. 270.
[5] *Ibid.*, no. 281. The full text is printed in F. D. Haeberlin, *Analecta Medii aevi* (1764). It was witnessed by Peter des Roches, at Westminster, shortly after a Council at which a 30th was granted (Stubbs, *Constit. Hist.*, ii, 54).
[6] *Ibid.*, no. 283, and Liberate Rolls, 21 Hy. III, Apr. 22, 1237. The treasurer is ordered to pay two merchants of Gothland the sum of £54 6s. 8d. for furs which William of Haverhall had bought of them for the king.

their seal was necessary to authenticate and attest any proceedings of the town; in fact, Germans and Goths were both recognized as citizens of Wisby.[1] In 1225 they had erected a church there and in 1229 concluded a commercial treaty with the Prince of Smolensk, giving them access to the Upper Dnieper, Podolsk and Witebsk on the Dwina.[2] They thus became the connecting link between East and West of Europe long before any direct trading between Russia and England had arisen, and exchanging the products of the Baltic regions with those of the latter country. The furs which we have already mentioned, and for which the king was one of their best customers, came first from these lands; later we shall find them importing to England other typical eastern products. The connection thus established was destined to have a long and uninterrupted course, for it was not until Chancellor's accidental landing near Archangel that England was able to establish direct relations with Russia and to throw off the yoke of the Germans as intermediaries in this profitable branch of her foreign commerce.[3]

Further proof of the identity of these Gothlanders with the Germans of the Baltic is, I think, afforded by a letter of Henry III to the town of Lübeck. Therein the king declares that it has come to his knowledge that the merchants of that town desire to trade with England. He accordingly informs them that he will extend them his "grace, favour and all the customs and liberties which the German merchants had been accustomed to have in the days of his predecessors." To this was added exemption from the cruel practices which obtained respecting wrecks. He assures them that "if any of their ships be wrecked upon his shores, and any man escape alive therefrom, all the contents of that ship shall remain in the possession of their former owners and that it shall not be adjudged a wreck."[4] The latter was a most valuable concession when the professional wrecker stalked abroad, when goods cast upon the shore by the waves were regarded as treasure-trove and when the science of navigation was still in its infancy.

But our traders were not content merely to establish branches and win privileges in the countries they visited. To make these permanent and reap their fullest benefits it was at least as necessary to unite and consolidate the conflicting interests at home. We have already noted the tentative steps in that direction by the joint efforts of Bremen and Lübeck in the third Crusade and by the more important treaty previously mentioned.[5] A surer move forward was taken in the year 1241 when Lübeck and Hamburg bound themselves by a treaty to protect the district between the Elbe and the Trave against highway robbery and all other forms of interference

[1] Dietrich Schäfer, *Die deutsche Hanse*, p. 20.
[2] *Ibid.*, p. 22, *L.U.B.*, Anhang A., and *H.U.B.*, i, 232.
[3] Cunningham, i, 505.
[4] *Hanserecesse*, Intro., p. xxvii; *H.U.B.*, i, 292. Sartorius, *Ursprungliche Gesch.*, pp. 711-712.
[5] *Supra*, p. 9.

with the ordinary course of trade between them, and bear the expenses for the suppression of such hindrances.[1]

The effect of this agreement was felt far beyond its limits. Coupled with the freedom of trade already existing between Lübeck and Bremen we now have the nucleus of the great confederation of German cities—the Hanseatic League—that soon dominated the commerce of Northern Europe and almost monopolized the English export trade to those parts of the continent. The advantages of unity once realized were soon exploited to their utmost, especially when the central power in Germany—the Imperial authority—was becoming progressively weaker. Moreover, ten years previously, Frederick II, in his anxiety to obtain the assistance of the princes, had abandoned the towns to the tender mercies of their feudal neighbours, annulling at one stroke in every city or town all communes, councils, masters or rectors of citizens, or other officials elected by the burgesses and all confraternities and societies of artisans who had been appointed by the collective body of the citizens without the consent of the archbishops, bishops or over-lords.[2]

The movement for federation among the towns went on apace. In 1258 Cologne and Bremen concluded a treaty,[3] and in the following year Hamburg and Bremen[4] promised not to protect debtors who fled from one city to the other. In the same year Lübeck, Rostock and Wismar unite in denouncing the pirates who preyed on the merchants on the high seas, depriving them of the benefits of sanctuary and proscribing them from their towns.[5] The improved organization to which these arrangements bear witness reacted upon trade with England. New commodities make their appearance and larger sums of money change hands, the king still remaining the best customer of the merchants and expending large sums upon costly furs and wax.[6] He also exerts himself to mitigate the harshness of

[1] *H.U.B.*, i, 303 and 304, and *L.U.B.*, i, 95 and 96. The former is the ratification by Lübeck, the latter by Hamburg. The most important clause is: "Noverit itaque presens aetas et futura recolat posteritas quod nos cum dilectis amiciis nostris burgensibus de Hamburgh in hunc modum concordavimus, ut si forte predonesant alii mali homines se contra nostros aut eorum burgenses erexerint a loco illo ubi flumen quod travena dicitur, mare incidit, usque Hamburgh et sic per totam Albeam usque in mare, et nostros vel eorum burgensis e hostiliter invaeserit quicquid sumptus vel expense ad hos predones et extirpandos accesserit nos cum ipsis et ipsi vice versa nobiscum pariter debeant sustinere. Ceterum si forte aliquis manens extra civitatem fortuose aliquem burgensam deHamburgh vel de Lubecke incusatum occiderit vulneravit, baculaverit vel qualicunque modo, quod absit, male tractaverit, quicquid ad hoc recuperandum et vindicandum expense accesserit, nos cum ipsis, et ipsi nobiscum pariter sustinemus."

[2] H. A. L. Fisher, *The Mediaeval Empire*, ii, 220.

[3] Sartorius, *Ursprungliche Gesch.*, ii, 77.

[4] *Ibid.*, ii, 78. [5] *L.U.B.*, 247, Sept. 6, 1259.

[6] *H.U.B.*, i, 359, where Hy. acknowledges debts of £856 10s. 9d. and £668 3s. 4d. to merchants of Gothland and Ostland respectively for the above-named commodities (Feb. 4, 1248). Incidentally we may notice that in the same month of this year a great parliament was held in which Hy., as usual, demanded large grants (Stubbs, *Constit. Hist.*, ii, 66).

his officials' administration. Numerous orders are constantly being issued to the bailiffs of the ports, the sheriffs and others to liberate arrested ships and goods.[1] On one occasion he even releases a foreign merchant from the penalty incurred for the accidental murder of a fellow-countryman and orders the sheriff of Northampton to liberate his cargo and "tolerate" him in "his country."[2] On another occasion he countermands an order prohibiting the export of corn, to enable "Simon of Stavoren and his companions, merchants of Germany," to carry four shiploads of it out of the country.[3] During the next two years Henry, having economized in his expenditure and extorted a considerable sum from the Jews, discharged some of his debts to the German merchants for large quantities of squirrel-skins and wines purchased over a period of four years.[4]

But of far greater interest than these isolated instances of royal favour and extravagance are the transactions recorded in two documents of about the year 1260. These illustrate the methods by which Lübeck insinuated herself into the good graces of the Londoners and enabled her to acquire a pre-eminence in English trade far exceeding that formerly held by Cologne, and at the same time practically replace her as the leader of German trading cities. In the first of these letters a number of London merchants declare that during the attack of Lübeck upon Copenhagen[5] they had sustained damages to the extent of a hundred marks at the hands of the Lübeckers. The latter therefore sent a monk to arrange the dispute on their behalf. The question was debated before the mayor and "an infinite multitude of worthies of the city of London," and the aggrieved parties consented to accept the sum alleged to have been lost and promised to refrain from reprisals against any merchants of Lübeck or the kingdom of Germany. The affair seems to have been regarded as a very weighty matter, and the letter was tested by the mayor and sheriffs and a number of other prominent Londoners, some of whom had already held or were to hold these offices, and by Arnold Thedmar, "alderman of the Teutons"; by Gottschalk, "with the nose," representatives of Cologne, Bremen and other towns.

The second letter is addressed by the Mayor and the "Commune of the whole city of London," informing the Council of Lübeck of the amicable settlement referred to in the previous letter and commending the zeal of their emissary, the monk, John of Rheinfeld. Evidently impressed by the honesty and straightforwardness, promptitude and eagerness of the astute Lübeckers to come to terms, they proceed to invite them to visit London and the rest of the kingdom with their

[1] *H.U.B.*, i, 352 and 364, for a merchant of Hamburg and the subjects of the Archbishop of Bremen.

[2] *Ibid.*, i, 372. [3] *Ibid.*, 374.

[4] *Ibid.*, 395 and 404. The purchases were made at the fairs of Boston and Ely and in London. The wines came from Cologne; the furs from Lübeck, Gothland, etc.

[5] In 1249. Cf. Lindner, *Die deutsche Hanse*, p. 49.

goods, assuring them full immunity from all manner of molestation, hindrance or inquiry in the execution of their business.[1]

We meet here for the first time an instance not only of concerted action by merchants of the three principal cities, but also find that they were already possessed of an organization to look after their interests. This is the first mention of an "alderman" and points clearly to the establishment, upon a legal and permanent footing, of the Teutonic merchants in this country. How necessary an accredited representative was may be seen from the frequent and ever-recurring arrest of the ships and goods of the merchants, either as the result of royal policy, or in the form of reprisals for injuries done to Englishmen abroad.[2] Numerous examples of the former have already been cited, but of the latter we have as yet only met the one just considered, and have seen what delicate negotiations arose from it and the results arising from a friendly arrangement. It is here that the value of an "alderman" was proved. He alone could give the most satisfactory explanations, could hold out promises of redress and so avert any vengeance threatened either by the king or the infuriated citizens. Instances of attack upon English merchants followed by retaliation upon the Germans become more frequent as the German towns felt strong enough to resent the competition of the Englishman in their own homes. How this worked out in practice is well illustrated by a letter of Richard, Earl of Cornwall, to the bailiffs of Yarmouth. The Earl, who was regent of the kingdom during the king's absence in France,[3] informs these officials that certain men of the King of Germany had robbed some merchants of Yarmouth off the coast of Walcheren and that he had requested the King of Germany to compel his subjects to restore the stolen property, but that he had failed to comply with this request; he therefore commands the said bailiffs to arrest the belongings of the merchants of Zealand and Holland to the value of £100.[4] What resulted from this action we do not know. We do know that Henry returned to London soon after and continued to patronize the foreign merchants.[5] Within a little while after his arrival[6] he was pay-

[1] *H.U.B.*, i, 405 and 406. The full text is printed in *L.U.B.*, i, 177 and 178. The concluding part of the second letter is very interesting. It runs as follows: "Audacius igitur et securius vos et vestrates cum rebus mercimoniis vestris, nullo timore preteriti Londonius et alibi per Angliam non omittatis. Pro certo habituri, quod causa huiusmodi contencionis nullum gravamen, nullam molestiam, nullum impedimentum, dampnum et difficultatem vobis inferrimus vel inferre permittimus vel procurabimus. Et hoc bona fide vobis promittimus, ut cœrciores efficiamini." Both documents are undated, but are ascribed by the Editor of the *L.U.B.* (i, p. 765) to the year 1250. Cf. also Lappenberg, pp. 11 and 12.

[2] In addition to those already quoted, cf. *H.U.B.*, i, 457, for liberation of ships belonging to Hamburg, arrested at the instance of the Mayor of London, July 5, 1253.

[3] *Dictionary of Nat. Biog.*, Koch, Richard von Cornwall, p. 93, and Pauli, *Geschichte von England*, iii, 688. [4] *H.U.B.*, i, 473. [5] Pauli, iii, 698, and Koch, 95.

[6] He entered London on Jan. 3, 1255 (Koch, p. 95, and *H.U.B.*, i, 475).

ing a considerable sum[1] for musk skins and wax candles bought of a number of merchants of Lübeck, Gothland, Lüneburg, Cologne, Soest, Brill and others whose place of origin is unspecified.

The events of the next few years were in the meanwhile hurrying towards an important result for the foreign merchants. Henry's financial and political embarrassments were thickening around him, but did not deter him from reaching out for foreign crowns. After accepting the Sicilian crown for his second son he exerted himself to secure his brother's election to the Imperial throne. This he succeeded in attaining early in 1257, and in May Richard left to pay his first visit to his kingdom.[2] Within a few weeks of his departure, Henry, acting on Richard's recommendation, took the merchants of Lübeck under his protection for seven years. He accordingly informed all his officials that they were not to interfere with the mercantile freedom of the Lübeckers and promises that he himself will not seize any of their merchandise for his own use. But this good behaviour on his part was dependent upon the fidelity of the Lübeckers to his brother.[3] Similar privileges were also granted to the traders of Denmark, Brunswick and the Duchy of Lübeck.[4]

The king's action seemed to have had the desired effect, for in the following year (1258) Bishop John of Lübeck, writing to the council of his city, declares that Richard has been acknowledged king everywhere and that he had already been crowned at Aachen. He therefore urges them to follow the example of the Rhine cities in owning the allegiance of the new king, receive his emissary, the Dominican Bartholomew, honorably, and not allow themselves to be led astray by the King of Castile.[5] The citizens must have followed the very practical advice of their spiritual chief, since two years later (June 15th, 1260) we find Henry at the instance of his brother, Richard, confirming all the "liberties and free customs of those German merchants who own that house in London commonly called the Guildhall of the Germans, which they had used and enjoyed in his own day and in those of his predecessors."[6] The building mentioned cannot refer to that of Cologne only, for though as yet we have had no mention of any separate Guildhall owned by the other towns, yet the phraseology of the documents embracing all the German merchants is the same as that employed later when such

[1] The sum paid was £258 3s. 5d. for 10,675½ lb. of wax and 6,740 musk skins (*tymbris de bissis*).

[2] He left England on Apr. 29, 1257; Böhmer, *Regesta*, p. 994.

[3] *H.U.B.*, i, 506, where the date 1258 is erroneous; Lappenberg, no. 27, gives the correct date, May 11, 1257; Hakluyt, i, 131, has this date in his Latin text and "*March*" in his English version.

[4] See Lappenberg, no. 27, n. 1.

[5] Böhmer, p. 1001, and Lappenberg, p. 12. The text of the letter is in *L.U.B.*, i, no. 254.

[6] *H.U.B.*, i, 552. Ennen and Eckertz, ii, 397 (where erroneously dated 1209). Haeberlin, *Analecta*, p. 7; *Foedera*, I, p. 398, and *L.U.B.*, i, no. 250. Böhmer, *Regesta*, p. 1001, whence it appears that Henry published the letter two days before Richard's departure for Germany.

an establishment was definitely known to exist.[1] The sale by a Londoner of a piece of land adjoining this Guildhall Teutonica to Arnold, son of Thedmar, "alderman of the Germans," affords corroborative evidence.[2] Assuredly the Guildhall was becoming too small now that all the German merchants shared in its benefits.

Meantime the growing unrest in the country must have rendered commercial intercourse somewhat insecure. The barons of the opposition hated foreigners and placed obstacles in their trade. An instance of this occurs in this year (1260) when the officials of the King of Germany are forced to sue Robert de Beauchamp for infringing the freedom of the market of Southampton.[3] On another occasion the king is obliged to interfere on behalf of a Hamburg merchant, whose shipload of corn the bailiffs of Dunwich had detained.[4] But such action on the king's part could not have been frequent at this moment. He was much too preoccupied with the troubles he had raised to attend to the flourishing overseas trade, and his neglect is alleged to have driven the Londoners to side with De Montfort.[5] On the other hand, Henry's notorious partiality for foreigners was one of the chief grievances of the barons. Trade therefore languished in the disturbed state of the country and the extent of the evil may be gauged from a series of letters from Margaret of Flanders, Cologne and Hamburg, complaining of the grave difficulties encountered by their respective merchants in their transactions with England and requesting that the royal protection be again extended them as heretofore.[6]

The specific instances of the damage done given in these letters leave no doubt that it was the work of De Montfort's partisans. Cologne informs the king that their fellow-citizen, Hermann, had been despoiled of his goods by the citizens of Winchester to the value of more than 100 marks.[7] Margaret demands compensation for similar injuries committed by Winchelsea and Rye.[8] Hamburg has a complaint against Dunwich.[9] Two of these places were Cinque Ports, all of which were, throughout the struggle, on the constitutional side and were only coaxed into submission on the fall of Earl Simon by the efforts of the far-seeing Prince Edward,

[1] Sartorius, i, 279, and n. 1.

[2] *H.U.B.*, i, 540, and Lappenberg, 28. The price paid was two marks and an annual rental of two shillings. [3] *H.U.B.*, i, 566, Abridged Pleas, p. 153.

[4] *H.U.B.*, i, 554. [5] Pauli, *Simon de Montfort*, p. 126 (Eng. trans.).

[6] *H.U.B.*, 604, 605, 606, and Shirley, *Royal Letters*, i, p. 468, ii, pp. 273, 279. The letters from Cologne are undated. Shirley states that the date is uncertain. On the other hand, the editor of the *H.U.B.* (K. Höhlbaum), on Pauli's authority (*Gesch.*, iii, 784), attributes them both to 1264. In June of that year, at a parliament held in London for the purpose of settling the Government, the free entry of merchants was secured, provided they came peaceably (Rymer, i, 443; Stubbs, *Charters*, 414, and *Constit. Hist.*, ii, 94). The opening sentence of one of these letters would seem to confirm this date by its allusion to the King's misfortunes.

[7] *Shirley*, i, 488.

[8] *H.U.B.*, i, 612. [9] *H.U.B.*, i, 606.

who granted them fair terms on the promise of desisting from their piratical depredations.[1]

Whatever ultimate consequences the battle of Evesham had in store for England could not have been foretold by contemporaries, but for the energetic foreign merchants who traded with England the fall of the popular champion was a real triumph. Not only had his party placed every obstacle in the way of international commerce, but he had himself forbidden the export of wool and is said to have expressed the opinion that "English products would suffice for English people"[2]—becoming thereby the father of a self-sufficient Empire. But in this respect his idea did not survive him. No sooner was the king assured of victory than the favours to the foreigners were renewed. The ink of the "Dictum de Kenilworth" was scarcely dry before fresh grants were pouring out of the Chancery.[3] Indeed, to the concluding part of the reign belong the most important of the whole series of documents.

At the instance of Duke Albert of Brunswick the king was induced to confer upon the merchants of Hamburg the right to have a "hanse," provided they paid the usual customs.[4] What this term exactly implied it is somewhat difficult to determine. Dr. Gross, the leading authority on the subject of English Guilds,[5] after a careful examination of the municipal records concludes that the word had three allied uses in the Middle Ages. Firstly, it was used to signify "a mercantile tribute or exaction, as a fee payable upon entering the Gild merchant"; secondly, it seems to have denoted "the right to exact money requisitions or prestations from the brethren as well as from the gildsmen trading in the town"; its third use was often synonymous with the term "guild merchant" with all the privileges and advantages attributable to that institution. It is probable that the German grantees derived all three benefits from it. In other words they exacted entrance fees from newcomers to compensate them for their initial outlay and trouble involved in obtaining it; a definite contribution from all members to defray the expenses of maintenance of the Guildhall, and lastly, it formed the basis of their trading rights in the kingdom. From this last usage it became synonymous with "Guild." Of one thing we are absolutely certain.

[1] Pauli, *De Montfort*, p. 201.

[2] *Ibid.*, p. 179 (Eng. trans.).

[3] The "Dictum" was published Oct. 31, 1266 (Stubbs' *Charters*, 425), the document that follows on Nov. 8.

[4] *H.U.B.*, i, 633: "Ad instanciam nobilis viris Alberti ducis Brunswyk mercatoribus ipsius ducis de Hamburg . . . concedimus—quod ipsi habeant hansam suam per se ipsos per totum regnum nostrum in perpetuum."

[5] *Gild Merchant*, ii, pp. 194-198. The word itself is derived by Murray (*New Eng. Dict.*), from old Fr. *hanse* and Med. Latin *hansa*, O.H.G. and Gothic *hansa*, equivalent to O.E. *hos*, a military troop, band or company; M.H.G. *hanse*, fellowship, association, merchant's guild. He defines it as a company or guild of merchants in former times; an association of merchants trading with foreign parts; the merchants' guild of a town; also the privileges and monopolies possessed by it; sometimes the Guild hall or house.

The Germans valued the privilege highly and regarded it as the foundation of their commercial status in this country, appealing to this grant of a "hanse" in after times whenever their rights were in any way infringed. Such was its value that no town, except Cologne, had, until this year (1266), succeeded in securing it. But the ice once broken, others followed the lead given by Hamburg. The following year Lübeck, now a whole-hearted supporter of the cause of Richard of Cornwall, was placed on an equality with its two most formidable competitors, but not until the way had been previously prepared by some preliminary concessions. Like Hamburg, Lübeck, too, obtained its rights at the instance of the Duke of Brunswick. It included freedom from arrest for debts for which Lübeckers were not primarily responsible, provided that the Council of Lübeck must not deny the rights of Englishmen visiting their territories[1] (Dec. 27th, 1266). A few days later these privileges received their full confirmation by the grant of a "hanse" to Lübeck, such as Hamburg had just received and such as Cologne had apparently already possessed since the days of Henry II.[2] The use of a limiting phrase, "*quantum ad nos pertinet*," implies that some restrictions was laid upon the full enjoyment of the advantages usually included in the word "hanse." If I may hazard a conjecture, I should be inclined to think that it had the same significance as the "*salvis*" clause of John's charter to Cologne (1213), i.e., that the new grant should not clash with the rights of others, probably the city of London. At any rate, the monopoly so long enjoyed by Cologne was now shattered. Hitherto the Rhine city alone had possessed a permanent habitation in England, and although its merchants allowed others to share their good fortune on the payment of an entrance fee of five shillings, it had exercised a controlling influence over them which they must have found unpalatable.[3] Henceforth all three "hanses" compete for supremacy until all three amalgamate and are known as the "Hanse," with Lübeck as the leader.

But all difficulties were not smoothed over by these acquisitions. As a matter of fact, all our evidence of events in the concluding years of the reign concern attacks upon the "chartered rights" of the Germans and exactions of heavy tolls by the officials. It would seem that the anti-foreign prejudice engendered by the Barons' war and during the period that preceded it had not yet subsided, and that now when Earl Simon was dead and no opposition existed in high places the mercantile class revenged themselves upon their foreign competitors by obstructing their business transactions. Instances are numerous. For example, at the end of 1267 a number of English merchants arrested a ship belonging to the Germans that was carrying wool, wine and lead to Flanders.[4] Three years later the Alderman

[1] *H.U.B.*, i, 635; *L.U.B.*, ii, 39, 107, n. 1; and Sudendorf, no. 66.
[2] *H.U.B.*, i, 636; *Foedera*, I, i, 471; *L.U.B.*, i. 291; and Sudendorf, 66. "Concessimus insuper, quantum ad nos pertinet," etc.
[3] *Hanserecesse*, p. xxviii. [4] Abridged Pleas, 174*b*, and *H.U.B.*, i, 649.

of the Germans declares that he has been so badly treated in England that he believes the privileges of the Germans to be in jeopardy.[1] The following year Simon of Hanover, a burgess of Lynn, who styles himself "Alderman of the Roman Empire in Lynn," writes to the city of Lübeck in a similar strain, informing the council of the city that he had given a pledge of £200 to the collectors of the new aid granted in that year for the good behaviour of the Lübeck merchants, and pointing out that their liberties in England are threatened unless they exert themselves to preserve them.[2] The trouble seems to have arisen about the exportation of wool which had been prohibited during that year,[3] and Simon conjures them by the love of their privileges not to carry this commodity out of the country.[4] In spite of the dangers that surrounded this trade the pushful Lübeckers had persisted in exporting wool to Flanders and trading with Flemings until the king had a number of them arrested.

This action, at last, showed them the risks they ran and the insecure foundations upon which their whole trade rested if they chose to resist the king's commands. They had recourse to the queen, who interceded on their behalf to such good purpose that the king was induced to remit some fines imposed upon those who had transgressed the royal mandate, provided they brought back some 103 sacks of wool they had recently transported to Flanders and do not fulfil a certain contract with a Lombard merchant to whom they had undertaken to sell a quantity of wool.[5] The object of the prohibition was protectionist, as well as political, and designed to foster the growth of the cloth trade in England. Incidentally we also learn something of the extent of the German trade and the organizations that were arising outside London as its centre. Lynn has frequently been mentioned as a port to which merchants of Germany, Norway, etc, resorted.[6] Already in the reign of John it seems to have occupied a place second only to London. Under the circumstances it is no wonder that the enterprising Germans endeavoured to establish themselves there. That they succeeded we know from subsequent history, to which the documents cited form a valuable introduction. At the same time we may infer that as yet there existed no direct connection between the "hanse" in London and this outpost of Anglo-German trade.

With the end of Henry III's reign the probationary period, so to speak, of Anglo-German commerce comes to an end. Under his son it assumes totally new aspects. Up till now it has been slight

[1] *H.U.B.*, i, 673.

[2] *Ibid.*, 700 and 701. Text in *L.U.B.*, i, 329. For aid referred to, cf. Stubbs, *Constit. Hist.*, ii, 102.

[3] Cunningham, i, 192.

[4] "Ideo vobis consulo quos vos lanas vel bona aliquorum seu aliciius sicut vestra propria sicut predictus libertates vestras diligitis." *H.U.B.*, 700 and 701. It appears that the offence was aggravated by the fact that these Lübeck merchants had exported wool to Flanders as their own.

[5] *H.U.B.*, 705, 707; text in *L.U.B.*, ii, 39.

[6] Pat. Rolls, 8 Hy. III, p. 453, and 9 Hy. III, p. 548.

and spasmodic, liable to be interrupted at any moment by the caprices of the monarch, subjected to all manner of hindrances and embarrassments, and at best, regarded as a weapon to be used for gaining political ends. With the accession of Edward I a marked change in the attitude of the Government towards commerce is at once discernible. Henceforth it is possible to trace the threads of a connected policy, having its internal and external phases and directed to the extension of England's economic growth. The German cities likewise realize their strength, and their confederation, the Hanseatic League, in the next century assumes the characteristics of a state. Its relations with other states are then regulated by formal treaties clearly defining the privileges and obligations of their respective "nationals" in their mutual intercourse. But before these conditions could supervene, and corresponding to the political arrangements of the Middle Ages, the juridical status of the foreign merchant rested upon royal favours granted to single individuals or towns, and often purchased for hard cash. Such were the small and unpromising beginnings of a trade that grew in volume until it had reached colossal proportions, only to be light-heartedly sacrificed by those who directed Germany's destinies in 1914.

The British Iron and Steel Industry

By M. S. Birkett.

In 1854, Scrivenor, one of the earliest historians of the Iron and Steel Industry, wrote :

" There is no subject more important to the country than the success of the Iron trade ; and whatever cause may tend to affect the position to which we have once attained, it cannot but be a matter of general interest."

If true when Scrivenor wrote, when the output of pig-iron was under three million tons per annum, the statement is even more true to-day when an output of 10,260,000 tons of pig-iron has actually been attained (viz., in 1913), and the producing capacity of the country exceeds twelve million tons annually.

Before the war, the industry gave direct employment to nearly 300,000 men, while the metal industries, including engineering and shipbuilding, which almost all use iron and steel as their principal raw material, gave employment to $1\frac{3}{4}$ million men, or one-eighth of the occupied male population of the country. In 1913 the value of exports of iron and steel amounted to £55,350,000 or more than ten per cent. of the total value of the exports of the country and second only to the cotton industry.

The capital employed in the industry certainly exceeds £150,000,000 and the coal consumed in a normal year, either as raw coal or in the form of coke, amounts to 30-35 million tons or about one-eighth of our annual coal production.

The attention of Scrivenor, whom we have already quoted, was drawn to the subject by accidentally coming across a petition to Parliament, in 1750, against the Bill for encouraging the importation of iron from our American Colonies. The petition was from " the tanners of leather in, and about, the town of Sheffield, in Yorkshire, representing that if the Bill should pass, the English iron would be unsold ; consequently a great number of furnaces and forges would be discontinued. In that case the woods used for fuel would stand uncut and the tanners be deprived of oak bark sufficient for the continuance and support of their occupation."

He noticed that the production of iron had increased from about 17,000 tons in 1750 to 600,000 tons in 1826, and to 1,300,000 tons in 1840 ; further that production had just about doubled in the ten years, 1840 to 1850, and set himself to write the story of such a rapid growth. Since he wrote the production of pig-iron has been quadrupled.

Reference to the petition of the Sheffield tanners reminds us that for centuries the smelting of iron ore was done by charcoal, and

therefore the chief seats of the iron industry were in the most wooded parts of the country, for there is scarcely a county in the country in which iron is not found in greater or less degree. Most people are aware, for instance, that in the Middle Ages the seat of the largest iron trade in the kingdom was in the Weald, and that the railings which used to surround St. Paul's Cathedral, came from Lamberhurst in Sussex as late as the eighteenth century.

In the early part of the seventeenth century, however, the forests were rapidly becoming exhausted, and three-quarters of the blast furnaces of the country were brought to a standstill. Writing in 1665, Dudley refers to 300 blast furnaces, but by 1740 these had been reduced to fifty-nine. Miss M. C. Delany, in *The Historical Geography of the Wealden Iron Industry*, quotes the following figures from the Sussex Archæological Collections :

	Number of Furnaces.		Make of Iron (tons).	
	In England.	In Sussex.	In England.	In Sussex.
1740	59	10	17,350	1,400
1788	24	2	13,100	300
1796	104	1	108,793	173

Thus while the industry was declining in Sussex it was rising in other parts of the country. This was due to the discovery that enabled coal to be used for smelting. In 1620 the Dudley just referred to succeeded in obtaining three tons of pig-iron from a furnace in a week with coke as fuel ; his works, however, were twice destroyed, first by flood and then by riot, and he himself was ruined by his adherence to the Royalist cause, so that his secret died with him. The process was rediscovered in 1730 by the Darbys of Coalbrookdale, and by the middle of the century the ironworks were forsaking the neighbourhood of woods and appearing on the coalfields of the Midlands, South Wales and Scotland.

Attention was next directed to improving the construction of the blast furnace in order to obtain a bigger output per furnace and to reduce the quantity of fuel required for smelting. The table on the following page illustrates the success that attended the first of these objects.

The invention which effected the greatest saving of fuel was that of the hot blast invented by Neilson in 1828. Previous to this discovery over 8 tons of coal were required to produce 1 ton of pig-iron ; Neilson's invention enabled a ton of pig-iron to be produced with little more than 5 tons of coal, and by 1840 out of 402 furnaces in blast 162 were using the hot and 240 the cold blast, and the average quantity of coal consumed per ton of pig-iron produced throughout the whole country had fallen to $3\frac{1}{2}$ tons. It varied from 5 ton 9

	Number of Furnaces.			Production.	Output per Furnace.
	Total.	In.	Out.		
1740	?	59	?	17,350	294
1788	?	85	?	68,300	804
1806	216	161	55	243,851	1,515
1840	490	402	88	1,396,400	3,473
1860	872	582	190	3,889,752	6,683
1880	926	567½	358½	7,749,233	13,655
1900	?	403	?	8,959,691	22,232
1913	496	338	158	10,260,315	30,356
1920	481	284½	196½	8,034,700	28,243

cwt. in Yorkshire, where most of the furnaces were still on the cold blast, to 2 ton 16 cwt. in South Wales. Scrivenor also tells us that in 1831 Mr. Dixon at the Clyde Ironworks, substituted raw coal for coke, and by 1833 had succeeded in producing a ton of pig-iron with 2 ton 5¼ cwt. of raw coal, exclusive of the 8 cwt. required to heat the blast. Some years ago, in a paper read before the Society of Mechanical Engineers, Mr. Charles Cochrane pointed out that the actual quantity of coke necessary in a blast furnace was that demanded for the reduction and carburizing of the iron which he estimated at 17·43 cwt. per ton of metal (i.e., a coal equivalent of about 26 cwt.) but the average coal consumption per ton of pig-iron produced in 1920, amounted to 44 cwt.

It will have been noticed from the figures given above that the number of blast furnaces is now much less than formerly (the maximum number of furnaces in existence in any one year seems to have been 948 in 1878), but that the output per furnace has steadily increased. The table on the following page shows the number of furnaces in each of the iron producing districts of the country, and their production in 1920.

The average annual output per furnace thus varied from 64,000 tons in South Wales (where some of the modern furnaces are equal to those in America) to 13,300 tons in Scotland. The average annual output per furnace in 1920 in the U.S.A. amounted to over 100,000 tons.

At the present time there are 487 blast furnaces in the United Kingdom, of which 385 are in England and Wales and 102 in Scotland. Of the 385 in England and Wales, only 90 are capable of producing over 50,000 tons per annum, of which seven only can produce 100,000 tons per annum.

The 487 furnaces belong to 95 different works, 15 of whom produced under 25,000 tons each in 1920, 53 between 25,000 and 100,000 tons, and 27 over 100,000 tons ; of the last 9 produced over 200,000 tons each.

1920: Average Output per Blast Furnace by Districts.

Districts.	Total Number of Furnaces.	Average No. of Furnaces in Blast.	Production of Pig-iron.	Output per Furnace per annum.
			Tons.	Tons.
1. Derby, Leicester, Notts and Northants	73	45·7	914,400	20,009
2. Parts of Lancs ; Yorks[1] (including Sheffield) ...	37	20·4	591,600	29,000
3. Lincolnshire	22	17·3	589,200	34,156
4. North-East Coast... ...	114	69·4	2,638,600	38,015
5. Scotland	102	67·9	902,500	13,291
6. Staffordshire, Shropshire, Worcester, and Warwick...	58	29·5	697,200	23,634
7. S. Wales & Monmouthshire	30	10·8	692,000	63,955
9. West Coast	45	23·5	1,009,200	42,944
Total	481	284·5	8,034,700	28,243

The location of the blast furnaces in the United Kingdom has depended upon a variety of considerations, the most important of which has been the reduction to a minimum of transport charges upon materials and products, which are both bulky and heavy. Proximity to coal and ore, and access to markets have therefore been the dominating considerations. In the first half of the nineteenth century the furnaces were in many instances constructed on coalfields from which ore could also be obtained, or which were adjacent to an ore field. In more recent times the position has been altered by the steady growth of the importation of high-grade foreign ore, which has attracted furnaces to the coalfields adjacent to the coast.

Among the pig-iron producing districts of the country the pre-eminent place is held by the North-East Coast. At present this area possesses in a higher degree than any other in the Kingdom that combination of advantages which spells success in pig-iron production ; and as a result is responsible for approximately one-third of the total production of the country. Cleveland ore and Durham coking-coal laid the foundation of this prosperity, and the situation on the coast renders easy the importation of high-grade Spanish ore for the production of hematite pig-iron and the despatch of the pig-iron to overseas markets or on coasting vessels to other districts in the United Kingdom, e.g., Scotland's deficiency in pig-iron is largely made good by coastwise shipping from Middlesbrough. No district can attempt to rival the North-East Coast in respect to output, which in 1920 amounted to 2,638,600 tons as compared with 1,009,200 tons produced on the West Coast (Cumberland and North Lancs),

[1] i.e., those parts not included in Districts 4 and 9.

which ranks second among the pig-iron producing areas. Here, also, the furnaces are on the Cumberland ore field near the coast, which yields an ore of better quality than that found elsewhere in the kingdom, but the coal has farther to travel than on the opposite coast. The Midlands still form an important centre of production ; they possess the necessary coal, but the ore has now to be brought a greater distance than formerly, when it was forthcoming in sufficient quantities on the coalfields themselves, and the inland situation makes the importation of foreign ore practically prohibitive and adds considerably to the cost of exporting the finished product. There is still a good local market for pig-iron, but the prospect is hardly so bright as it was when wrought iron and not steel was the chief constructional material, and the Midlands possessed an undoubted supremacy in the iron market. The growing importance of the Midland ore field in Lincoln, Northants and Leicester, is causing a shifting of productive capacity eastwards to the coast, and some competent observers consider that Lincolnshire will one day rival the North-East Coast. In Scotland and in Wales the pig-iron industry, originally based on the native ore near the coalfields, has become, of recent years, more and more dependent upon foreign ore ; and even so, both of these districts require to import pig-iron to meet the needs of the steel industry.

The first half of the nineteenth century was pre-eminently the age of iron for, although steel had not been entirely neglected, the steel manufactured by the crucible process, which had been developed by Benjamin Huntsman in Sheffield, was too costly for most purposes, and it was not until the inventions of Bessemer, in 1856, that the production of a steel suitable for constructional work at a relatively low price was rendered possible. This was followed by the discovery and application of the open hearth process of steel manufacture by the Siemens Brothers, between 1864 and 1867. So effective were these improvements that Mr. Jeans quotes a statement from a Thames shipbuilder to the effect that in 1858 the ship plates used in the ships built by his firm had cost £40 to £50 per ton and angles £40. By 1878 plates produced by the open-hearth process cost £13 to £15 per ton, while within twenty years, plates produced by the same process were selling for £5 per ton. The significance of this change is at once apparent, when it is remembered that, on the average, one ton of iron or steel is required for every 2·1 tons of gross shipping tonnage.

Between 1879 and 1883 the basic process of steel manufacture was developed by Sidney Gilchrist Thomas and others, and rendered available for steel making the large deposits of phosphoric ore in this country. Even more important was the effect of Thomas's inventions on the Continent, for without his inventions the development of the Lorraine and Luxemburg industry would have been impossible. The following table shows the output of steel in the United Kingdom at different dates :

	Tons.
1873 ...	573,301
1880 ...	1,294,933
1890 ...	3,579,063
1900 ...	4,901,060
1910 ...	6,374,481
1917 ...	9,716,544 (Year of maximum production).
1920 ...	9,067,300

In 1873 the production of open-hearth steel amounted to 77,473 tons; in 1917 the production was 7,900,767 tons. Ingot steel is manufactured in ninety-two different works in the country of which twenty-eight produced under 25,000 tons in 1920 and twelve over 200,000 tons. The number of works manipulating steel is, of course, very much larger. The following table shows the chief steel producing districts in 1920:

	Tons.
Scotland	2,074,000
N.E. Coast	1,950,000
S. Wales and Mon.	1,884,300
Sheffield	980,200
Staffs, Shropshire, Worcester and Warwick ...	806,200
Remainder of Country	1,372,600
	9,067,300

The uses of steel are countless, from the domestic pin to the mighty dreadnought, but so far as I am aware no analysis of the consumption of steel by the different consuming industries has been made in this country. An estimate has, however, recently been made of the consumption by the consuming industries in America and the following results obtained:

Finished Steel Output divided by demands.

Estimates in Net Tons.

Groups.	Normal Annual Requirement	Per cent. entire normal.
Building	5,100,000	14·2
Export	4,815,000	13·4
Automotive	3,540,000	9·8
Car and Locomotive	3,350,000	9·3
Railroad Construction, Maintenance and Repairs	2,795,000	7·8
Oil, Gas and Water	2,780,000	7·8
Machinery and Hand Tool	1,600,000	4·5
Agricultural	1,290,000	3·6
Food Container	1,120,000	3·1
Shipbuilding	950,000	2·7
All other requirements	8,500,000	23·8
	35,840,000	100·0

An analysis for this country would, of course, show the same consuming industries, but with very different proportions. The proportions for building, automotive, car and locomotive would be much less and for shipbuilding and food containers much higher.

As was stated at the beginning of the article the iron and steel industry is essentially an export one ; in 1913 nearly five million tons of iron and steel were exported, about a quarter of which was in the form of pig-iron. During the war nearly all the iron and steel produced was required for munitions in one form or another, so that exports, except to Allies, had to be rigorously cut down as will be seen from the following figures :

	To Allies.	To Other Countries.	Total.
	Tons.	Tons.	Tons.
1913	1,096,998	3,952,092	5,049,090
1915	1,274,950	1,973,096	3,248,046
1918	1,197,741	421,257	1,618,998

To get back our pre-war export trade is one of the big problems now facing the industry. In 1920 we exported two-thirds of the tonnage exported in 1913, but, owing to the slump and coal stoppage, exports fell last year to little more than one-third of the pre-war figures. The following table shows the chief items of export in 1913, 1920 and 1921 :

	1913.	1920.	1921.
	Tons.	Tons.	Tons.
Pig-Iron and Ferro-Alloys	1,124,181	579,509	135,998
Iron and Steel Bars, Rods, Angles, Sections, etc.	392,511	421,836	138,568
Plates and Sheets (including black plates and sheets)	273,876	373,416	190,914
Galvanized Sheets...	762,075	410,784	211,628
Tinned Plates and Tinned Sheets ...	494,497	353,058	226,482
Tubes, Pipes and Fittings (cast and wrought)...	399,608	226,324	135,623
Steel Rails	506,585	134,227	182,867
All other Items	1,015,891	752,071	478,327
Total	4,969,224	3,251,225	1,700,407

Nearly half our exports of iron and steel before the war were to British possessions, the other half being almost equally divided between European and non-European foreign countries. India, Australia and South Africa took the bulk of our exports to British possessions ; France, Germany, Italy, Belgium and Sweden were our chief customers in Europe, while the Argentine, Japan, Brazil and the U.S.A. were our best markets outside of Europe.

The fact that the industry depends to such an extent on exports renders it more than usually sensitive to foreign competition, and this was very well illustrated during the slump through which all industry has been passing. The big post-war demand forced prices to a very high level, but when the reconstructed works of France and Belgium began to put their products on the market, our export markets fell away and in order to meet Continental competition prices have had to be very drastically "cut." The following instances are typical:

	Maximum Post War Price. Per ton.	Present Price. Per ton.	Per cent. Reduction.
	£ s. d.	£ s. d.	Per cent.
Cleveland Pig-Iron, No. 3 ...	11 5 0	4 10 0	60
Rails	25 0 0	9 10 0	62
Plates	24 10 0	10 10 0	57

The reductions are really even greater than are here shown, for at the time of high prices and big demand the quoted prices were often subject to a premium, whereas now less than the quoted prices is often accepted, especially for export.

The industry has been enabled to effect these reductions partly by reductions in the cost of its raw materials—(coal, ore, limestone, etc.), and partly by sacrificing profits, but it also owes a great deal to the way in which the heavy wage reductions have been so loyally accepted by the workers. The industry is the field of a very old established network of machinery of conciliation boards which have had the effect of producing the good relations between employers and workpeople which have existed for a long time. Stoppages have, unfortunately, been rather frequent of late, but they are almost always caused by disputes external to the industry, e.g., by the coal miners, bricklayers, engineers, etc. Among iron and steel workers proper the system of conciliation and of sliding scales has, broadly speaking, prevented any substantial dispute since it began some fifty years ago.

The conciliation machinery varies in detail all over the country, but the governing feature of it is the sliding scale, which is based upon the average selling price of the product, so that in some form or another wages vary in accordance with the variation in the ascertained price of the product. The theoretical justification for the system lies in the assumption that its variations are due to variations in demand, or in the state of trade, and that the price of the product is an index of the prosperity of the trade and an indication of profits and of the ability to pay wages.

When this scheme was first introduced it was held as being of the

very greatest economic importance, and was loudly acclaimed by distinguished economists. The particular advantages claimed for it were five: (1) That it was an automatic means of determining disputes about wages; (2) That it tended to promote co-partnership and common interests between employers and employed in that to some extent it is based on a profit-sharing idea; (3) That it enabled employers to calculate their costs of production with greater accuracy because it eliminated the probability of disputes about wages over definite periods; (4) That it allowed wages to vary by small stages, and (5) That it made possible prompt variations in wages without waiting for Balance Sheets to show the profits of the industry. Professor Munroe, indeed, asserted of the system that it was the most important advance in economics since the discovery of Ricardo's Law of Rent, so impressed were the economists of the 'seventies and 'eighties as to the efficiency of this particular method of showing roughly what the industry could afford to pay.

Practical experience, however, has shown that it has not been possible to adopt the system except in two big groups of industry, viz., the coal industry and the iron and steel industry, and after the depression in the 'nineties, when the price of coal went so low that, in the miners' phraseology, "the confounded thing hadn't any bottom," the miners opposed the sliding scale system and succeeded in obtaining a statutory minimum wage.

This scheme of wages, based on the price of the product, does not necessarily involve either piece payment or time payment, but in practice the bulk of the iron and steel industry is paid on a tonnage rate. The war showed up some of the defects of the sliding scale theory, for the price of iron and steel rose to abnormal heights very largely owing to the submarine campaign. Practically half of the steel output is made from ore imported from Spain and elsewhere; freights on ore, including insurance, rose to between £6 and £7 per ton, and introduced items into the cost which had nothing whatever to do with the ability of the trade to pay wages. It is significant of the relationship which exists between the two sides that the employees accepted a modification of the sliding scale under which the whole of the increase of prices due to shipping was to be left out of the sliding scale calculations.

The drastic reductions in prices previously referred to have caused very heavy reductions in the wages of iron and steel workers, and have brought wages in the iron and steel industry lower than they would have been had they been governed by the index number of the cost of living, but they are not low relatively in regard to the principle of fixing wages in relation to what the industry can pay. This has been quite well recognized by the workers themselves, who have loyally stuck to their bargain. They know that they are working for an export trade, they see the constant variations in the trade and see that its variations are uncontrollable to a large extent by their employers, and so they have been willing to co-operate with

the employers to reduce working costs and they have been rewarded by seeing the export trade slowly but steadily revive.

Few industries were affected more directly by the war than the iron and steel industry ; and in no industry have the effects of the war been more far-reaching. From all the belligerent countries there arose a cry for steel, and for yet more steel ; and to meet this insistent demand for steel at any price works were extended and productive capacity increased, so that although the war was marked by the actual destruction of steel works in Belgium and in Northern France, there existed, at the end of the war, a greater steel producing capacity than in 1914, owing to the extensions made in this country and in the United States.

If the war involved an increased production of steel, the terms of the Peace Treaty effected very drastic changes in the international distribution of raw materials and manufacturing plant. Lorraine with its ore fields, blast furnaces and steel works returned to France. Luxemburg passed out of the German economic system and has since attached itself to the Belgian. These two changes have transformed the economic organization of the iron and steel industry of Western Europe, since a political barrier now separates the Lorraine ore from the Westphalian coke, upon whose union the industry is based. In passing it may be noted that the breaking-up of the old organization has aggravated the distress of the industry during the present depression, and that in its turn the depression has rendered more difficult the creation of a new organization.

In the United Kingdom, in order to satisfy the call for munitions, the productive capacity of the country was increased by about fifty per cent., and now exceeds twelve million tons per annum. The actual production of steel rose from 7,663,876 tons in 1913, to 9,716,544 tons in 1917. Steel production was capable of a much more rapid increase than was pig-iron, for steel furnaces take much less time to construct than do blast furnaces. Instead, therefore, of attempting to increase the pig-iron producing capacity, *pari passu* with that of steel, recourse was had to imported pig-iron and the increased use of scrap, and as a matter of fact, although some new blast furnaces were built, and more old furnaces recommissioned, the output of pig-iron has not, in any year since the outbreak of war, reached the figure of 10,260,315 tons which was attained in 1913.

The Allied demand for munitions had an equally striking effect upon the iron and steel industry of the United States. In that country the production of pig-iron increased from 30,966,152 tons in 1913, to 39,434,797 tons in 1916 and steel production rose from 31,301,000 tons in 1913, to 45,061,000 tons in 1917. Prior to the war the United States consumed at home almost the whole of her vast production, and her export trade in iron and steel was in the nature of an overflow from the home market. But during the war her exports both to belligerent and to neutrals increased sharply, the total rising from 2,008,200 in 1913-14 to 6,626,400 tons in 1916-17.

Before the war Germany ranked next to the United States as a producer of iron and steel, and in 1913 her output was 35,941,000 metric tons of ore, 19,309,712 metric tons of pig-iron, and 18,935,089 metric tons of steel. The absence of statistics of post-war production renders it difficult to ascertain the full effects of the war upon output or capacity, but certain facts regarding the losses which Germany has suffered as a result of the Treaty of Versailles are clear, if it be remembered that the effects of the separation of Luxemburg and Lorraine from the German economic system have been calculated on the basis of the 1913 figures. In that year Lorraine produced 21,136,000 metric tons of iron ore, 3,870,000 metric tons of pig-iron and 2,286,000 metric tons of steel, while Luxemburg produced 7,333,000 metric tons of iron ore, 2,548,000 metric tons of pig-iron, and 1,182,000 metric tons of steel. Allowing also for the losses sustained by the partition of Upper Silesia, we reach the conclusion that the reduced Germany can produce on the 1913 basis seven million tons of ore, twelve million tons of pig-iron and fifteen million tons of steel.

Much of German loss has been French gain. The return of Lorraine, at present merely compensates France in some measure for the loss of production arising from the devastation, but on the basis of the 1913 figures and on the assumption that reconstruction will make good the devastations, the French ore production will rise from twenty-two million tons to forty-three million tons, pig-iron production from 5·2 million tons to nine million tons and steel production from five million tons to 8·3 million tons.

Belgium suffered severely from the destruction of her works, and far from regarding the economic union with Luxemburg as some compensation for these losses, the Belgian manufacturers see in it merely an aggravation of their difficulties through an intensification of competition. At the moment with the existing lack of organization among producers this view may be correct, but, in the long run, there is little doubt that an organization of producers on the lines to which the German Kartell system has accustomed the Luxemburg works, will lead to a considerable augmentation of Belgian economic strength. On the basis of the 1913 figures we must credit the new union with an annual production of five million tons of pig-iron and of 3·6 million tons of steel.

From this brief review certain conclusions may be drawn. The increased world capacity for production means increased competition unless consumption also increases. Much development and renewal work, calling for large quantities of steel, was necessarily postponed during the war, but it is questionable whether an impoverished world can expect to execute these works at present. The United Kingdom and the United States have an increased surplus for export, and how far the United States will maintain the export trade which it gained during the war is a question to which no definite answer can yet be given. Germany with a diminished exportable surplus may be

expected to concentrate on the finishing industries and will prefer to export highly-finished products in place of the pig-iron and semi-finished steel which she sent abroad in such quantities prior to the war. France now takes a prominent place among the exporting nations, and it is probable that France will be content for some time to export large quantities of pig-iron and semi-finished steel.

The fundamental physical conditions, however, which enabled Great Britain to continue making steel before the war, remain substantially unaffected. We are the only steel-producing country with suitable coal supplies on the coast to which foreign ore can be brought by sea and the product re-shipped.

British iron and steel manufacturers have put their house in order and are confident that Great Britain will retain its position if they have the support to which they are entitled from the Government in the shape of reduced taxation and from the railway companies in the form of reduced railway rates which play so large a part in the industry.

APPENDIX I

THE PRODUCTION OF PIG-IRON AND STEEL IN THE UNITED KINGDOM, UNITED STATES, GERMANY AND FRANCE IN 1870, 1880, 1890, 1900, 1910, AND 1920. ('000's OMITTED.)

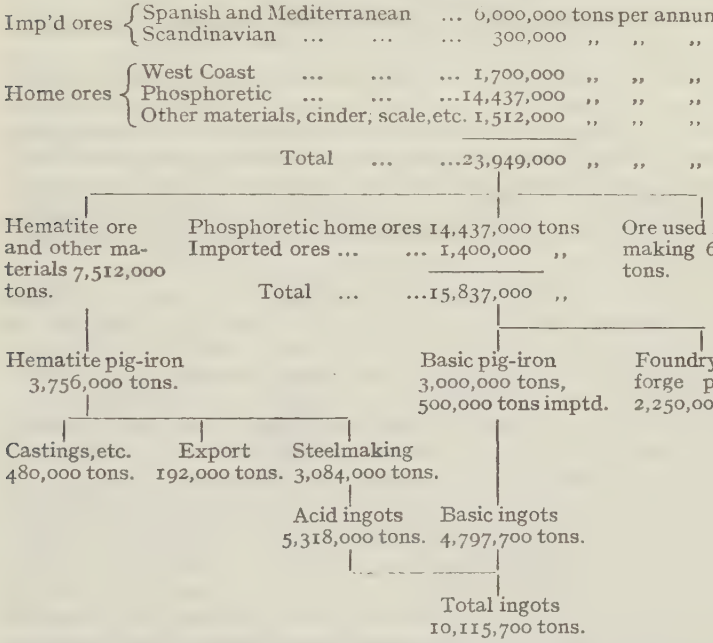
	Pig-Iron.				Steel.			
	United Kingdom.	U.S.A.	Germany.	France	United Kingdom.	U.S.A.	Germany	France
	Tons.	Tons.	Metric Tons.	Metric Tons.	Tons.	Tons.	Metric Tons.	Metric Tons.
1870	5,963	1,665	1,262	1,178	—	—	—	—
1880	7,749	3,835	2,468	1,725	1,295	1,247	733	—
1890	7,904	9,203	4,100	1,962	3,579	4,277	2,232	683
1900	8,960	13,789	7,550	2,714	4,901	10,188	6,646	1,565
1910	10,012	27,304	13,111	4,038	6,374	26,095	13,699	3,413
1920	8,035	36,926	6,100[1]	3,434	9,067	42,132	8,800[1]	3,050

[1] 1921.

APPENDIX II

CHART PREPARED BY THE STEEL DEPARTMENT OF THE MINISTRY OF MUNITIONS, SHOWING ESTIMATED OUTPUT OF PIG-IRON AND STEEL INGOTS FOR 1919.

Based on importation of 6,000,000 tons of Spanish and Mediterranean ores, and 300,000 tons of Scandinavian ores.


Imp'd ores
Spanish and Mediterranean ... 6,000,000 tons per annum.
Scandinavian ... ... 300,000 ,, ,, ,,
Home ores
West Coast ... ... 1,700,000 ,, ,, ,,
Phosphoretic ... ...14,437,000 ,, ,, ,,
Other materials, cinder, scale, etc. 1,512,000 ,, ,, ,,
Total ... ...23,949,000 ,, ,, ,,
Hematite ore and other materials 7,512,000 tons.
Phosphoretic home ores 14,437,000 tons
Imported ores ... ... 1,400,000 ,,
Total ... ...15,837,000 ,,
Ore used in steel making 600,000 tons.
Hematite pig-iron 3,756,000 tons.
Basic pig-iron 3,000,000 tons, 500,000 tons imptd.
Foundry and forge pig-iron 2,250,000 tons.
Castings, etc. 480,000 tons.
Export 192,000 tons.
Steelmaking 3,084,000 tons.
Acid ingots 5,318,000 tons.
Basic ingots 4,797,700 tons.
Total ingots 10,115,700 tons.

It must be noted that the realization of the above estimates depends upon the receipt of the full tonnage of imported ore shown above, and also upon the provision of sufficient labour and fuel being provided as and when required to enable the whole of the ore to be smelted and the resulting pig-iron converted into steel.

Regionalism and Administrative Decentralization in France

By R. H. Soltau,
Assistant Lecturer in the University of Leeds.

While studying in a previous article[1] the powers of the President of the French Republic, we stated that the real problem of France was that of the control of the executive over the individual by means of a highly centralized administrative machinery, and that until the French were free to administer their own local affairs there would be little true liberty in France. We propose now to continue this study by examining in more detail the main weaknesses of the present regime and some of the suggestions for reform.

The chief points of the French administrative system are familiar to all students of political science and need only to be recalled in broad outline. For three centuries before the Revolution the monarchy had been gradually substituting in each province administration by royal officials for government by local magnates or local assemblies; and although complete uniformity had not been attained, and local Parliaments or "Etats" still existed and occasionally rebelled, the steady drift was towards centralization: the reign of Louis XV ends with a law of 1771 which abolished the last remnants of municipal liberty by making over the administration of hitherto privileged towns to officials who bought their office from the Crown.

Those who urge that the Revolution really interrupted a movement towards reform can find an argument in the administrative changes which Louis XVI introduced by a law of 1787. This measure created provincial assemblies in all provinces not already provided with "Etats" and introduced elected municipal councils in all villages not possessing a parochial assembly. These municipal or parochial assemblies received the power of choosing local officials. As, however, the royal "intendants" remained at the head of provincial administration, it may be questioned how far true local liberty would have been acquired; but the summoning of the States-General in 1788 and the sweeping changes carried out by the national assembly soon relegated Louis XVI's timid reforms to quasi-oblivion. The cry of complete decentralization was raised, the aim of some revolutionaries, of the Girondin party especially, being to transform France from a centralized State into a federation of autonomous communes. Elected officials or committees replaced everywhere royal nominees; the control of the executive over local affairs virtually disappeared, and the existing administrative areas

[1] Economica, May, 1921.

were completely altered by the suppression of the provinces and the redivision of the country into a much larger number of entirely artificial units called departments.

It need hardly be said that this was going much too fast. In some districts the new system took root, but in most cases the people were too unversed in politics to take up in this way full responsibility for local affairs. Anarchy soon reigned, the central government having no means at its disposal by which to enforce its authority if this was disputed. The situation became rapidly complicated by the new factor of foreign invasion; and the Jacobin party, who took affairs in hand in 1793, realized that unity and a strong government alone could save France. While not formally undoing the work of the last three years, they repressed every movement that savoured of local independence and to all practical purposes superseded local officials and councils, either by "revolutionary committees" of their own partisans or by "représentants en mission"—i.e., members of the central assembly delegated for the temporary oversight of particular districts.[1] Such measures, however, could only serve in an emergency, and in spite of some extension of central control by the Constitution of 1795 local incoherence remained one of the great weaknesses of the revolutionary governments.

On his becoming the virtual dictator of France, Napoleon Bonaparte realized that administrative reform was one of the most pressing problems needing a solution. Acting on the principle that the maintenance of order is of greater importance than the guaranteeing of any particular liberties, he went back to the monarchical system of placing all local executive authority in the hands of officials appointed by the central government. Municipal and departmental councils were deprived of any real power, and in spite of an elaborate system of electoral lists nomination virtually replaced election for membership of these councils.[2] The new system was in fact more completely autocratic than government by royal intendants. Every pretence at local freedom had gone, and the new Napoleonic officials, particularly the "préfet" and the "commissaires de police," were practically local autocrats.

Very few changes of note were introduced into the system by subsequent regimes anterior to the Third Republic. Louis Philippe allowed the election of municipal and departmental councillors and Napoleon III somewhat enlarged the functions of those bodies. There was, indeed, little reason why kings or emperors should have made any alteration in an administrative system which repre-

[1] Rambaud, in his *Histoire de la Civilisation contemporaine en France*, p. 66, considers that the Terror was largely due to the convention lacking legal means of enforcing obedience to its decrees, particularly to the levying of taxes and the recruiting of soldiers. Legal machinery being absent, revolutionary methods had to be used.

[2] Taine compares their functions to that of the Greek Chorus, listening, blaming, praising, but unable to control in any way the doings of the actors who always move with entire freedom.—*Le Régime Moderne*, Vol. II, p. 239.

sented locally the monarchical principle. The amazing fact is that the Republic should not have swept away this imperial legacy. It did carry out certain reforms—placing side by side with the Préfet a standing committee of the departmental council, allowing the election of mayors by municipal councils, and giving more power to these bodies; but while those changes have slackened certain chains, they have removed none. The Préfet remains virtually as powerful as ever; local assemblies are still largely helpless, and locally the French are a governed, not a self-governing people. "Administrés" is a significant term.

The fundamental defects of the present system can be briefly summed up from three points of view:

The first is undoubtedly the enormous power wielded by the Préfet, and of which Taine drew up a catalogue which the lapse of years has unfortunately not robbed of its accuracy,[1] for as M. Hennessy said, as recently as 1915, "Although sovereignty still resides in the people who choose their representatives it seems as if the shadow of the dictator still hovered over France."[2]

There may be much to be said for the American system of entrusting very great authority to a man chosen by popular vote for a specific length of time, but it seems inconceivable that in a democratic state such power should be in the hands of a man who is entirely outside the control of those whom he governs, whose tenure of office is theoretically unlimited, and who depends entirely for promotion on an ephemeral party minister. And this leads us to the second serious criticism we have to make, which is the interference of the central executive into local affairs. The French Cabinet has an agent in every village (for the mayor is as much an executive official as a representative of the community), and several agents in all important towns; and all the dangers which result from the central authority going beyond the bounds of its proper sphere are to be seen in French political life to-day. The liberties which are implied in a democratic constitution are in practice withdrawn by an autocratic administration; there is no room for local initiative or for a healthy provincial life which could form a

[1] "He can temporarily deprive the municipal council of its right to sit, and the mayor of his office. He has a veto over all proposed bye-laws dealing with municipal police or the upkeep of highways. He can annul mayoral decrees and to all practical purposes replace them by his own. He holds in the hollow of his hand, appoints and dismisses not only his office staff but everyone who in any way serves the commune or the Department, from the keeper of the archives, the curator of the museum, the architects, the headmasters and teachers of the municipal school of art, all elementary school teachers, the medical officers of health, relieving officers and guardians of the poor, local police officials, local tax-collectors, forest rangers, lock-keepers, dock superintendents, roadmenders, policemen. He draws up the departmental or municipal budgets, puts them before the councils for their approval, and remains alone responsible for their execution. Any inquiry into any matter of public utility is made under his control.—*Le Régime Moderne*, Vol. II, p. 287.

[2] *Les Régions de France*, p. 220.

valuable school for the wider world of State politics. The overwhelming preponderance of Paris over all French towns, the extraordinary position which the French capital holds in the commercial, social and intellectual world, is largely the result of the centring in Paris of all the organs of government so that local organs die of sheer atrophy.

But the situation is further complicated by the third consideration, that the executive is itself under the control of a legislature that can at any time dismiss it. The group system and the absence of dissolution[1] has brought about ministerial instability and given the legislature an abnormal influence over the executive. Individual members, whose defection may at any time overturn a ministry, acquire great importance, and one of the ways in which they exert pressure is by demanding the appointment of friends and the dismissal of enemies to and from administrative posts. Hence the hold of a deputy over officials whose removal he can to a large extent secure, so that the Préfet, powerful as he is, quakes before the local M.P., and it has been said with truth that the real heir of Napoleon is not the Préfet but the Deputy.

For years politicians of all parties have been clamouring for reform. Men of views as divergent as the late Paul Deschanel, the late Jean Jaurès, Maurras the royalist, M. Briand, and M. Poincaré have expressed their belief in the need for great changes.[2] In the face of this unanimity one asks why these changes have not yet come. To this several answers may be given. The strenuous opposition which will certainly have to be met with from the civil service is a serious matter, considering that any reform must be undertaken by a cabinet which its transitory character causes to depend largely on its permanent administrative staff. It also happens that time after time some crisis has arisen turning men's attention in other directions, or some more urgent reform has had to be given precedence, and few cabinets have had the leisure to consider any far-reaching schemes of any description.[3] It may also be said that the evils of the system never appear as serious to the ministers in office as to the opposition. But the main fact is that reform would have come long ago had unity been attained among would-be reformers. Unfortunately, however, much as they may agree in their criticism, they find it impossible to unite when it comes to supporting definite proposals, and the advocates of things as they are still hold the field owing to the divided counsels of their opponents.

[1] See Mr. Finer's article on the "Group System in France," in ECONOMICA, January, 1921, p. 20.

[2] For extracts from declarations of these and others, see Charles Brun, *Le Régionalisme*, ch. i, and Jean Desthieux, *L'Evolution Régionaliste*, Part II, ch. i.

[3] Most reforms have been carried through the persistent energy of extra-parliamentary organizations, succeeding in bringing pressure to bear on a sympathetic cabinet, or, more usually, getting the first stages of a bill through under one ministry and later stages under a second or even under a third one.

It is nevertheless undeniable that the movement towards administrative reform by local autonomy has made much headway in the last ten years. The Proportional Representation campaign, by demanding the removal of the single member constituency with attendant evils, was to many people but a preliminary battle in a greater struggle ; and although the R.P., as it is called, has not yet achieved a complete success—for no one could be satisfied with the hybrid scheme introduced for the 1919 elections—it is not too much to say that the single member constituency is gone for good, and the principles involved in the adoption of large electoral areas are certain to be applied in the near future to administrative problems.

The movement for decentralization may be said to move along two broad channels. Some reformers are merely demanding changes that will simplify the work of administration. They wish to relieve the Préfet of duties that might as well be performed by other officials: they want to give councils greater power and particularly to remove the need for the Préfet's consent to their decisions. Others go further in their criticism of the present system ; they see the unsatisfactory character of existing divisions, and are prepared to place wider areas under the control of Préfets, so as to secure more uniformity in the size of administrative units. But in all this they do not challenge the fundamental principle on which the system rests : that there can be no united France without a rigid uniformity of local institutions and no order without the executive having, through its special courts, the last word in any case in which a question of public policy is involved.

The various schemes of reform which are just now being discussed under the name of Regionalism are much bolder and go much deeper, resting as they do on a different conception of the State. They consider France not as a solid block but as a Union, or shall we say, Federation of large areas, each having a really complete and free life of its own, not, indeed, independent, or even as fully autonomous as an American State, but possessing institutions which would express its personality and its distinct existence. The basis of the regionalist policy is that no real unity is achieved by disregarding the real differences between the various regions of France, by endeavouring to reduce everything to one common system, and that the true aim should be unity through diversity and through freedom of local life.

In its broad principles the claim is not new. We have already alluded to the federative policy of some of the revolutionary parties, and similar attempts towards local autonomy were made during the Franco-Prussian war. But the failure of these experiments is quite irrelevant to the circumstances of the present day. In both cases these experiments were made at times of serious foreign danger and of national upheaval, when the great need was for all to rally to a strong central authority. But the fear is no longer that France should lose her unity, that any parts of the country should break away.

The danger is, on the contrary, lest an iron uniformity should be rapidly depriving France of that rich diversity of gifts which has made her strength. The uprooting tendencies of modern civilization so keenly criticized by Maurice Barrès in *Les Déracinés* are at the present moment a real source of weakness. The exodus from the land is going on apace : the influx to Paris shows no signs of decreasing, and France is more and more a body with a swollen head and atrophied limbs.

Regionalism would check the growing spirit of revolt against the iron rule of the centralized state and its multifarious activities. By limiting its sphere of influence it would strengthen its position when dealing with truly national questions.

The first problem is, of course, that of areas. The starting point of the regionalist campaign is that the present unit of French administration, the Department, has no real *raison d'être*, political, economical, geographical, or racial ; as a matter of fact, the only principle on which the division was made in 1790 was that the chief town should be no more than a day's journey from any spot within the area. Not only was it not attempted to make the Departments homogeneous, but an exactly opposite policy prevailed so as to destroy anything savouring of local patriotism ; in fact, Foncin, one of the ablest geographers of modern France, has calculated that out of eighty-nine Departments six only were really homogeneous districts, while but thirty in all had any kind of unity, the remaining fifty-nine being simply incoherent. Nothing can be done, therefore, until the division of France is made along lines corresponding at any rate to some definite principles. All reformers are agreed that there are far too many districts ; thirty-two is the largest number that anyone proposes and it may be noted that in 1788 France was divided into thirty-three areas. Some regionalists, in fact, would simply restore those divisions, but there are obvious objections to this plan ; partly that it would savour too much of reaction, partly that some of the old provinces were themselves artificial units varying very much in size and often with fluctuating boundaries. Others would simply regroup existing Departments into about one-third of their present number. They urge that this would be by far the easiest method, and it is possible that the plan might succeed, but it is met by the serious objection that fifty-nine heterogeneous groups do not necessarily become harmonized by being reduced to twenty.[1] Most regionalists favour a bold redivision of France which would recognize the need for giving each area a marked personality with some diversity of resources wherever possible, and in all cases a well-defined central town and some connected historical tradition. Nothing less than that, they say, will avail to resist the preponderance of Paris.

The divisions suggested naturally vary considerably from Foncin's

[1] It is urged, for instance, that the Department of Eure et Loir, of which Chartres is the chief town, is really divided into three districts that should naturally belong to Normandy, Orléanais and the Paris region respectively.

thirty-two to Vidal Lablache's seventeen, and the work of dividing would be fraught, of course, with great difficulties.[1] It is, however, worth pointing out that France already possesses "regions" for certain purposes that departmental divisions do not suit: she has twenty army corps, twenty-five appeal courts, and sixteen university areas. A starting point might be found along one of these lines of division; and it might be added that a kind of beginning was made in 1917, when the Chambers of Commerce of France were federated into sixteen regions for consultative purposes.

But the problem of areas is of relative importance only. As Mr. Laski says,[2] "Territorial decentralization does not touch the real root of the problem. The real question is that of internal organization within the different groups themselves," and this problem is twofold: to decide what matters must be decided locally in order to make possible any local life at all, and what are the best means of insuring the local control of those matters while safeguarding the ultimate authority of the central government.

It would, unfortunately, be vain to assert that substantial agreement has been reached among reformers about any of these matters. All that can be said is, that while some would go as far as to remake France into a Federation of Republics on the Swiss or American model, others would agree to a minimum programme that would include the local upkeep of roads, canals, waterways, local railways, tramcars, official buildings, poor relief, sanatoria and hygiene, harbours. Many would add to this list, elementary and some secondary education. All would probably unite in demanding as essential to local life the control of local finance. In order to exist, a region must have its own budget and therefore its own taxes. All direct taxes, some say, should be for local purposes, only indirect taxes going to the central body. These direct taxes should vary from area to area, as one tax may suit one part of France and another tax another. Uniformity in taxation is a mere superstition. What must come to an end is the present centralized finance by which the Government to all practical purposes both levies and spends local money. It should be possible for a region to float a local loan through local banks: and some urge that Post Office Savings Banks might well be localized and their deposits utilized for local purposes. But whatever method is used, the region must have its financial existence, and resources sufficient for the handling of big social undertakings such as old age pensions, unemployment and sickness insurance, which are really too complex and vary too much from district to district to be satisfactorily dealt with by the State, and which are, nevertheless, beyond the powers of small units like the Departments.

Once its functions have been defined, how is the region to exercise control and secure its own personality? The first and essential

[1] A full list of the various schemes is to be found in Jean Desthieux's *Evolution Régionaliste*.

[2] *Authority in the Modern State*, p. 350.

step is the control of its own officials, instead of their being, as at present, appointed and removed by Paris or by an agent of the central power. No one, indeed, proposes to suppress entirely the regional Préfet, who can exercise a very useful co-ordinating influence, but he should be there essentially as a controlling power to see that law is respected, not as an active agent. He must hold a watching brief, perhaps even with a suspensory veto, but no more. The region should administer its own affairs by the help of its own agents.

Once this has been established, regional government could follow the general lines of modern representative institutions. It would have a regional elected council with large powers, the chairman of which would be the leader of local life. Some have suggested that these assemblies might well be elected on a functional rather than on a mere population basis, and it can, indeed, be urged that it is as wage earners that the inhabitants of a region would mainly count. We can do no more than register the tendency, and add that the various regional councils need not necessarily be elected everywhere in a uniform manner : some regions might like to base their franchise on a different basis than another ; and, indeed, one of the interesting features of Regionalism is the opening it gives for political and social experiments over small areas.

Apart from its purely political organs the region would have other institutions in which regional life would find its expression. The regional university, for instance, while it cannot be altogether independent of the Ministry for Education, should be largely self-governing and a true centre of regional culture. Attempts have indeed already been made in this direction by the creation of Chairs of local history at some universities and by important reforms in university administration. Regional chambers of commerce, regional church councils and synods, all have obvious functions awaiting them once their area is a real and not an artificial one.

The objections to Regionalism usually come from those who fear the setting up of local tyrannies and parish pump politics. The answer to these is that Regionalism would remove the present local tyranny which local deputies can exercise, and broaden the sphere of local interests. It is clear, of course, that there would be need for some extra-regional court to which appeal could be made from courts which might be biased by local feeling.

In addition to this, however, there are many who are genuinely hostile to the very idea of local life as subversive of national unity. They believe in uniformity, they rejoice in the disappearance of local customs, local institutions, local patriotism. They are the true heirs of the Jacobins.[1] To these there is nothing to be said, for they

[1] In October, 1905, the Federation Régionaliste Française discussed a proposal to adopt as its basis the following declaration : " The federation recognizes as its only enemies Jacobins of all parties." The proposal was lost but the definition is not inapt, as the Jacobin motto was : " *La France une et indivisible.*"

represent a position fundamentally opposed to the regionalist conception of the State. They will resist Regionalism to the end.

Others oppose Regionalism on somewhat different grounds. They hold that it is an attempt to put back the clock of French development ; that the French genius is one of unification and uniformity and that federalist tendencies are totally unsuited to the French temperament, and are bound to fail after having led the country into serious difficulties.[1] This view presupposes a continuity in national development and character which we think unproved ; but even if this continuity be a fact, a resolute break with a bad tradition is a less serious step than the blind clinging to obsolete traditions.

None of these objections, in fact, touch the real issue, which is the practically unanimous condemnation by all thinking Frenchmen of the present relations existing between the executive and the legislative. The return at the last elections to a modified form of *scrutin de liste* does indeed remove to some extent the evil of the overpowerful member for a small constituency, but does not go to the root of the matter. It is impossible to ignore the fact that Republican France has kept the local institutions of a centralized Empire and that a retention that might be justified when the Republic had to maintain its existence against powerful enemies has no longer any *raison d'être* now that the Republic is fairly established. To the argument that a strong executive will alone be able to keep Bolshevism propaganda in check, the only possible answer is that nothing will breed Bolshevism like the idea that a Republican form of government can only maintain itself by the help of despotic methods of internal administration. It can only be repeated that a complete overhauling of the administrative machine is essential to the economic recovery of France, and to the numerous constitutional reforms which are demanded on all hands.

Two immediate problems appear to us to add to the urgency of administrative reform. The first is the return to France of Alsace with her keen local traditions, local patriotism, her separate language and institutions. It seems impossible that Alsace should accept a return to Napoleonic uniformity and subjection to Paris. It was only last October that the Alsatian Popular Party passed a resolution suggesting an appeal to the League of Nations should the French Government propose either to disestablish the Roman Catholic Church or to abolish Church elementary schools,[2] i.e., bring Alsace into line with the rest of France on such vital matters as ecclesiastical organization or elementary education. If Alsace is granted autonomy it will be difficult to refuse it to other provinces of equally marked particularism, such as Brittany or Provence.

The other problem is that of the reconstruction of the devastated areas. The work is being delayed and hampered at every turn by

[1] M. Belloc in his *French Revolution* defends that view with vigour and persuasiveness.

[2] See *Le Progrès Civique*, Nov. 19th, 1921.

the need for governmental authorizations of all sorts. No village street, for instance, can be rebuilt without securing the central government's sanction of the general plan ; this sanction needs nine distinct formalities, each of which can take weeks, and only apply to the bare plan, the actual work necessitating further steps and further delays. A simplification of administrative routine, and a wide increase in the powers, particularly financial, of local bodies seem essential conditions of the return to full productive activity of the former war zone ; and the healing of the still gaping wound in the national body is a condition of the return of France to her complete activities, political, social, economic and intellectual.

Let us ask in conclusion by what methods the desired changes are to be sought. The wider use of existing powers is undoubtedly the next step to take. People have become so used to being directed by an authority from above, that they do not even realize that their bonds have been somewhat relaxed. It is, for instance, possible for Departments to co-operate for certain matters of poor relief, help to numerous families, training schools for nurses, etc., and as far back as 1910 M. Briand, then Prime Minister, urged Préfets to develop these inter-departmental experiments. Another measure of importance is the law of 1917, which allowed communes to unite for certain purposes which were best dealt with by larger groups, such as the relief of war victims and the rebuilding of devastated areas. Regionalists note with special satisfaction that this law allows communes to act together even if they belong to different Departments, which is a great blow aimed at the quasi sanctity of departmental boundaries. It is also true that the departmental councils could do more if they shook off their fear of the Préfet and if they were more backed up by public opinion. The formation of a National Assembly of the Mayors of France for the defence of mayoral rights and communal privileges is also an interesting departure.

But all Regionalists agree that these, steps as they are in the right direction, will not go very far. These reforms do not go to the root of the matter, which is the reality of regional life. Now this life is primarily a spiritual one. Everything must be developed which can help the continuation of a healthy local feeling ; local literature, local custom, local history. Administrative Regionalism here joins hands with what may be described as " Sentimental Provincialism," the inspirer of which is probably the poet Mistral in his attempt to revive the language, literature and traditions of ancient Provence, to re-create the Provençal soul, which was being crushed to death by the steam roller of an administrative and educational uniformity driven from Paris.

But if this regional soul is to be kept alive in Provence, Brittany or Lorraine, those who wish it well must themselves remain in the region. As long as the exodus to Paris continues there can be no regionalist life. People must be prepared to take root ; civil servants and teachers must cease to look upon a post in Paris as the aim of

their professional ambitions; landowners must remain on their estates and secure for their employees conditions of life that will not force them to emigrate to big towns for a livelihood. The problem is therefore largely bound up with that of the economic conditions which are developing centralized industrialism at the expense of agriculture, and draining away men and wealth from the countryside to large urban areas.

All these reforms will not come without much hard work in the educating of public opinion, or without personal self-sacrifice on the part of those who are convinced that the restoration of a healthy and full local life is essential to France if she is to maintain her position in the vanguard of civilization. In his recent study of French political conditions,[1] Lord Bryce admits his belief in the soundness of regionalist proposals, but thinks that "the idea has not so far won popular support as to make it probable that the legislature will give it practical effect at a time when other grave matters are occupying the public mind." This is true enough, but unless French public opinion sufficiently realizes the urgent need for sweeping changes in its administrative system it will find that it is lacking the very instruments which are needed for the satisfactory handling of those "other grave matters."

[1] *Modern Democracies*, Vol. I, p. 320.

A Plea for the Middle Ages.[1]

By Eileen Power,
Lecturer in History at the London School of Economics.

For some reason which it is impossible to fathom (unless it be the reason given by Dr. Johnson to the lady, who asked him why he defined *pastern* as "the knee of a horse"?—"Ignorance, Madam, pure ignorance!")—the Middle Ages have long been the scapegoat of history. The man in the street confounds the whole period under the comprehensive title of the Dark Ages, applicable only to a part of it. If he feel for it any sympathy, it is the contemptuous tolerance of Bishop Blougram for "that dear middle age those noodles praise." The word "mediæval" is regularly used by politicians, journalists and classical lecturers as a term of abuse, synonymous with so many other things that we seem to be threatened with a permanent impoverishment of the English vocabulary. It is applied with equal readiness to excessive ritual or to insufficient sanitation, to autocracy or to anarchy, to out-of-dateness or to tortures, without any attempt to consider whether these things were indeed peculiar to the Middle Ages, or even, more peculiar to the Middle Ages than to other periods of history. But the Middle Ages were no more ritualistic than the Greeks, with their tragedy which originated in a Dionysiac dance; they were no more autocratic than the Rome of Constantine, or the Europe of the eighteenth century; they are no more out-of-date than Queen Anne; and as to tortures, the witch-hunting Puritans of New England were just as bad as the torturers of the Middle Ages, but we have yet to hear that the Bolsheviks have subjected their enemies to Puritan tortures.

The fact of the matter is that there has been a conspiracy on the part of the modern world to ignore its development from the Middle Ages and to hark straight back to antiquity; for all the world like a man who ostentatiously traces his descent from an impeccable grandmother, because his mother was no better than she should be. We lay the flattering unction to our soul that our spiritual home is in Greece, and regard the Middle Ages as an unfortunate interlude, a beating time in the goose-step of progress, a sleep and a forgetting. Secretaries of debating societies in need of a motion might advantageously consider the subject: "That the ancient Greeks are a public nuisance." The world is full of classical lecturers writing books and giving lectures to tell us what we owe to the Greeks, and, strange to say, what we owe to the Greeks is always represented to us as a load of blessings; the curses which we owe to the Greeks never come home to roost. And of all curses which we owe to the Greeks the most deadly was the curse of their political thought; if

[1] A paper read to the *Heretics* at Cambridge, 1920.

you look at it from one point of view one of the chief causes of the great war was the *Politics* of Aristotle. It is the object of this paper to suggest that the political philosophy of the Greeks, which is the basis of the ruling political philosophy to-day, is not and never was applicable to the great nations of the present world ; and that the attempt so to apply it has resulted in the terrible cataclysm from which we have barely emerged. On the other hand, it will be suggested that the proper place in which to look for a political philosophy which fits the actual conditions of modern life is in the despised and rejected Middle Ages.

I do not for a moment suggest that the Middle Ages were in practice a golden era. While in theory the economic world was governed by a moral law instead of by crude competition, in practice profiteering, usury and financial exploitation were rife. While in theory industry was regulated on the basis of an identity of interests between capital and labour in the guild system, in practice the fourteenth century was full of capitalists and wage-earners, strikes and rumours of strikes. While in theory the principles of unity and peace governed mediæval politics, in practice pope fought with emperor, nation with nation, and city factions raised their clamour to the skies. The merry England of the sentimentalists was often gloomy enough. But at no period of history has the relation between theory and practice been conspicuously close, and the Middle Ages evolved a number of extremely valuable ideas, however badly it carried them out. The Middle Ages, though they failed in practice, did solve in theory the problem of what sort of political institutions are necessary for men living in society. Our civilization has reached its bankruptcy to-day largely because we have worked out a wrong solution ; and the newest school of political thought, which is discarding the sovereign State in favour of a new theory of multiple sovereignty, is—when you come to analyse it—actually resuscitating mediæval conceptions in modern forms. If you take any of the most revolutionary writers on political science, whether they approach it from the political, the economic or the ecclesiastical point of view, you will find that their fundamental conceptions are essentially mediæval.

Let us, first of all, try to analyse for a moment what sort of political organization the individual really needs, if he is to lead the good life, to possess the greatest happiness, to be the most truly free, whatever your favourite criterion may be. Inside man's angular frame there seem to be penned two creatures, filling him with incompatible desires and besieging his brain with paradoxical claims. There is a man who is bewildered by great spaces and leviathan institutions, a prey to agoraphobia. For his comfort he needs a small society, in which he can be warmly conscious of his own personality and that of his fellows, and in which the personality of each grows rich with constant interpenetration. He needs an active and intense life in a small community of which he is a necessary part. When the Greeks declared that the ideal city state should be so small

that if one man lifted up his voice in the market-place, all might hear him, they expressed a profound truth. But there is also another man; his reach exceeds his grasp, he feels no limit to his potentialities, nor to his kinship with other men; his "cabin'd ample spirit is fluttered and fails for breath" in circumscribed spaces. He needs a wide life in a large community, where no blank wall presents itself at every third step to check him like a prisoner in a cell. Man, this little creature for whom states exist and leagues are planned, is (pardon me if I seem to drop into poetry) rather like a lark; he is equally at home in a tiny nest and in the sky. But—note it carefully—the lark is not at home in anything of intermediate size—in a ten-foot room, for instance.

In effect what man says is this: Give me something small enough to make life intense; give me something big enough to make it wide. Give it me, above all, in that political institution which exists for my good life, my happiness, my freedom. In no political institution will man really be at home save in one which combines the parish pump and the world. Yet the institution, which after centuries of painful effort the poor little creature has made for himself, is an institution which is at once too large and too small for him, precisely of that intermediate size in which the lark cannot live—the State. It is too large, because the individual is lost in it. He can feel himself in a church, or a trade union, or a friendly society, or a cricket club, or a university; he cannot feel himself in a State. There is in modern States none of the intense political life of the Greek city; to the average citizen the State in times of peace means the income tax and the policeman at the corner, save for those periodical elections, when he is the tool of a caucus or the dupe of adroit advertisers, who play upon his unreasoning underself with posters and party colours, in the fashion so brilliantly analysed by Mr. Graham Wallas in *Human Nature in Politics*. Apart from war, says Mr. Bertrand Russell, "the modern great State is harmful from its vastness and the resulting sense of individual helplessness." Unless we be professional politicians our attitude towards the State is apt to be either weary discouragement, or else indifference. The thing is too big for us.

But it is not only too big. It is also too small. It stops short of mankind, in a helpless, futile sort of way; and yet man has an affinity for his fellow men, of which, in times of natural disaster, such as an earthquake or the loss of a *Titanic*, he is well aware. The State, as it now exists, allows him allegiance to mankind only when such allegiance does not conflict with its own claims; but let there come a crisis and it alone must claim his loyalty. Because it is too small, the State not only plunges into periodical cataclysms of war with other States, in which the individual is utterly destroyed, but even in peace it sterilizes and stunts him by a perpetual circumscription of impulses and loves, which should have no bound at all. At one moment receding from him till he loses it, at the next closing

in upon him till he stifles, the State, like some torture-chamber in the tales of Edgar Allan Poe, seems specially designed to break his spirit.

This, then, is my first contention—the ideal political system must in some way combine the qualities of the parish pump and the world : it must be small enough to give the individual intensity of interests and to form his personality by constant interpenetration with the personality of others ; and it must be large enough to give him width and to prevent the senseless destruction of war. The modern State can never suit the individuals for whom it exists, because it falls half-way between the world and the parish pump and effectually claims the loyalties due to both. My second contention brings me at last to my plea for the Middle Ages. It is that, however imperfect was the practice of that age, it grasped, in a way that the modern world has not, the real political needs of man and really made an attempt to solve the dual problem of a political organization at once large enough and small enough. The Middle Ages collated perfectly, in theory, the world and the parish pump. The man who lived then was intimately aware of his relation to two forms of association. On the one hand was Christendom, present to the philosopher as the Holy Roman Empire and to the ordinary person as the Catholic Church. Christendom acknowledged one spiritual head and worshipped in one church, which was closely bound up with all its secular activities, the chivalry of its knights and the guilds of its townsmen. Christendom went upon its joint wars, which it called crusades, with as vital a consciousness of unity as that which animates a national army to-day ; the towers of Jerusalem were more real than the tower of Babel. The root principle of all mediæval philosophy and not least of mediæval political philosophy was the idea of unity ; as Thomas Aquinas put it, "All manyness is derived from oneness and to oneness it returns." Dante, in his swan song over the Holy Roman Empire cries : " O race of men, in what storms and losses, in what shipwrecks must thou needs be tossed, so long as, transformed into a beast of many heads, thou strivest over many things." The rule of the Empire is the only way of bringing mankind to a unity of government, in which alone it can live happy. " This," he says, " is that mark on which he who has charge of the world and is called the Roman prince should chiefly fix his mind : to wit, that on this threshing floor of mortality life should be lived in freedom and in peace." The Holy Roman Empire was the characteristic mediæval expression of the ideal of cosmopolitanism : its two heads, the emperor and the pope, were regarded as the expression of the two sides of man, temporal and spiritual, which together formed a perfect unity. Both Papacy and Empire acted, at one time or another, as a court of international arbitration ; and the Papacy continually sought by such institutions as the *Truce of God* to limit war. Even when the whole object of the institution was defeated by the fatal quarrel of emperor and pope as to which was supreme, philosophers like Dante still clung to the

theory of a world empire, as being the only theory which could bring peace and happiness to men. It was a tragedy for the modern world that the theory shipwrecked with its expression, and when the old institutions of a universal church and a universal empire passed away, the theory passed with them ; for a theory may be true even though the forms in which it has clothed itself are outworn.

This was one side of mediæval political theory : the idea of unity expressed for philosophers in the Holy Roman Empire and really felt by the plain man as Christendom. But there was another side to it. If the Middle Ages thus found expression for the world, it also found expression for the parish pump. The man who knew himself essentially as part of Christendom, knew himself also as part of a small local or functional association, in which he lived and worked. When to each town each other town was in foreign parts and communication was difficult, local feeling, always a strong thing, and occupational feeling, even stronger, were ruling passions ; and they were so small and local that (in spite of the " 'eres a stranger, 'eave 'arf a brick at 'im " character of mediæval town legislation) they did not interfere with the general recognition of Christendom, as a binding reality. Life in a self-governing town or guild was very intense and very full. Even in England, where the central government was strong, there was a little of the vivid political life of the old city states and in the great communes of the Continent there was much. In the same way life on the country manors was small enough to be intense : each man knew all his fellows and had to play his part in the life of the community. Moreover, besides these local forms of association, there were functional forms of association which were intensely real to their members: the monastic orders, for instance, and the orders of chivalry. The mediæval view of society was essentially that it was a *community of communities*. The forces which were real to every mediæval man were on the one hand *Christendom* and on the other, his *group* (town or craft or manor or order) ; large and small, world and parish pump, he had them both.

How was it that the political theory embodied, however imperfectly, in these institutions came to an end? This is no place to trace the process by which the growth of national feeling and capitalism, the quarrel between the temporal and spiritual heads of Christendom, and the decay of the Church, destroyed mediæval civilization. The result of it all was that a new entity pushed itself up between the large and the small and ousted both. With the Renaissance appeared, instead of the *Communitas Communitatum* of the Middle Ages, the idea of the Sovereign State. Bellicose nationality increased and the discovery of the new world emphasized differences, because it was no longer possible to regard the small Mediterranean continent of Europe as the world, and Christendom lost its solidarity. At the same time the Renaissance meant the rediscovery of the classics, and Greek political philosophy began to be applied to the new nation states. The Sovereign State took its

stand on nationalism and on Greek theory and sent Christendom flying to the right and the small group flying to the left. There it has stood ever since, the wrong size to fulfil the functions of either of the organizations which it ousted.

For look what has been the effect upon our political philosophy of the application of Greek ideas to the nation state. " The Greeks," once said Professor Bury in an impish mood, " fortunately had no Bible." One is tempted to believe that any good fortune they may have enjoyed in that respect was amply compensated for by their possession of the *Politics* of Aristotle. Or, rather, the blame lies not with the Greeks, but with the political philosophers of our own day, who approach that work in the spirit in which the less advanced wing of the Church approaches the Bible. The philosophy of Aristotle concerning the State, trenchant, lucid, thrilling, has been used from the time of the Renaissance by philosophers, who seized with rapture upon the perfectly tempered instrument handed to them by the dead. They might have remembered the ancient warning, *Timeo Danaos et dona ferentes.* All the extreme and fantastic claims of the modern State have been based upon that philosophy. The State, it says, is an association of similar persons for the attainment of the best life possible. It alone can make that best attainable. Hence comes the whole of modern philosophy based on the twofold idea that because the State gives man all he has, it may ask all of him, and that the State is an isolated phenomenon, subject to no larger entity. It is exceedingly significant that Treitschke, in his book on *Politics,* advocated the closest study of the antique conception of the State : " Anyone who wishes to acquire a true political sense must bathe in the invigorating waters of that classical antiquity which produced the great masterpiece of political philosophy—the *Politics* of Aristotle—in the light of which we are all bunglers." It does not matter that Aristotle was speaking of a small city state, in which every citizen might really hope to find the good life assured to him by interpenetration with his fellows and constant use of all his faculties and by direct personal service as soldier, judge and member of the governing assembly, whereas his philosophy is now applied to large nation states, in which man moves bewildered, *bombinans in vacuo.* It does not matter that the Greek city state, owing to the smallness of the known world and the simplicity of economic conditions, could be regarded in isolation ; whereas now three-quarters of life is international and a man cannot sit down to breakfast or call in a doctor without being dependent upon other nations. The Greek philosophy of the all satisfying, isolated, absolute State prevails.

The modern philosopher who has done the most harm by his use of Greek thought is Hegel, under whom the State received its apotheosis into something divine, " the realized ethical idea," the highest good. Treitschke is only the most logical and brutal exponent of the Græco-Hegelian philosophy. The English are wont to talk as if

Treitschke were a monster peculiar to Germany; but our political philosophers differ from him only in being less logical and less brutal. "We have all," as Heine put it, "herded swine with the Hegelians." Our T. H. Green is only Treitschke with an Oxford manner; our Bosanquet is only Bernhardi in kid gloves. Once you accept the idea that the State is the highest political entity and the only one with any claim on man, it is pure chance whether the theory lead to Treitschke's brutality or to T. H. Green's philosophical idealism. Two things it certainly will lead to: war among States and a bankruptcy of political life among individuals. For the State has ousted the world: even the establishment of an international court of arbitration is, according to Treitschke, incompatible with its nature; it must be hostile to other States. And the State has ousted the parish pump. All other associations are regarded as having no organic life or power of growth, but as holding their rights as a concession from the State and as being unable to claim any loyalty from the individual, which may run counter to his loyalty to the State. It is the sole expression of the general will, and in it rests sovereign power, which is one, indivisible and illimitable. And though it fulfils none of the political needs of the individual, it is the sole political entity which he is allowed to recognize.

It remains to point out that this philosophy of the State, based on Greek thought, is now being very successfully attacked and that the most modern political thinkers are going back to the characteristically mediæval combination of the world and the group. Modern inventions have, to a great extent, restored the solidarity of Christendom. In the Middle Ages the world could be regarded as one, because it actually was a small place. Russia was outside it; Scandinavia crouched at its edge and blew forth dragon ships full of energetic and adaptable settlers in early days, and afterwards traders with fish and timber; to the west lay an unplumbed ocean, somewhere in which floated the mythical Brasil, Antilha, the Islands of the Blest; the east was a dimness beyond the Levant, out of which crawled caravans, bearing silk and spices and some very excellent travellers' tales. Sharp and clear lay the little world of Europe, round the Mediterranean Sea, still what it had been for the Romans, the centre of the earth. To-day the extreme rapidity of transport and communication, the railway, the telephone, wireless telegraphy, the steamboat and the aeroplane, have made the world small again. Moreover, in the Middle Ages national divisions were only faintly marked; the most important division, at least until the fourteenth century, and to a considerable extent later, was the horizontal division into classes, the feudal class of knights, the learned class of clerks, the working class of burgesses and peasants; and English knights and prelates had more affinity with French knights and prelates than they had with English villeins. To-day the development of labour and capital has brought about almost the same result. Modern capital is international, and modern labour (in spite of the

shipwreck of The International in the war and its somewhat confused politics since) is beginning to be conscious that its chief affinity is a class affinity and not a national affinity. Again, culture in the Middle Ages was cosmopolitan, a common culture with a common tongue, Latin. To-day the development of modern science plays somewhat the same unifying part that Latin played then. The most modern political thought inevitably reflects these neo-mediæval conditions. The war has completed the discrediting of the Sovereign State. It is recognized that the State must continue, because it represents something which exists, to wit, nationality. But it is also recognized that it does not represent other things which also exist and that, therefore, it can have no claim to man's sole loyalty.

The attack on the State is, as every student of contemporary political theory knows, being made against both its external and its internal absolutism. From without the internationalists attack it as too small ; States must be regarded as part of a larger whole and their sovereignty must be limited by their relation to that whole. On the other hand the State is being challenged from within by the group, which claims to be a social organism expressing the general will just as truly as the State. This claim is now coming from all sides. Writers such as Gierke, Maitland, Duguit and Laski make it from the point of view of a new politico-legal theory of sovereignty. In the sphere of economics syndicalists would abolish the State in favour of groups of producers and Bolsheviks in favour of a soviet system; guild socialists seek to effect a balance of power between a guild congress, representing functional groups, and a state parliament, representing geographical groups. In administration also there is a strong trend in favour of smaller governmental areas, home rule, devolution, regionalism. In the church the idea is likewise gaining ground ; it is expressed in Figgis's book on *Churches in the Modern State,* and in some of the publications of the " Life and Liberty " movement. The net result is that, while internationalism is paring away the State from the outside, the claims of various groups are nibbling it away from the inside, and a new definition of sovereignty is attacking the basis of its absolute authority. When it is reduced to its proper size, we may secure that combination of the large and the small, the world and the parish pump, which seems to be necessary to man. And when these ideas have transformed our political philosophy, it will be almost identical with the philosophy of the despised Middle Ages. The Middle Ages are not mediæval, in the sense of the politician, the journalist and the classical lecturer ; they are ultra modern. It is true that their institutions are wholly unsuited to modern conditions and that in practice they were no more a golden age of happiness than is our own ; but they had got firmly hold of the right *principle* upon which political institutions should be based; and the modern world is slowly discarding its sovereign State and beginning to shape a new expression of that principle.

Some Recent Books on Industry

By Dr. Hugh Dalton,

Cassel Reader in Commerce in the University of London.

It was, I think, Mr. Birrell who once remarked, on being invited to unveil a newly erected statue, that we were in danger of a superfluity of such ornaments and that public speakers should be employed, not only on the unveiling of new statues, but on the veiling of old ones. This remark has a lesson also for the reviewer. The real distinction is not, indeed, between the new and the old, but between the good and the bad, or, as it is sometimes put, in less pure English, between the worth-while and the not-worth-while. I have before me a collection of comparatively recent books, the only common quality of which is that they all have, or at least are intended to have, some bearing on industry. Not all these books can be said to be worth-while, though not even Mr. Birrell need be ashamed of unveiling some of them. Few people, except myself, are ever likely to try to read them all, and it is part of my duty to warn others against any such undiscriminating adventure.

Here, then, are the particulars of this mixed budget :

Capital and Labour, their Duties and Responsibilities, by Walter Jones (P. S. King, 1921).

A New Policy for Labour, by Hilderic Cousens (Cecil Palmer, 1921).

Poverty and its Vicious Circles, by J. B. Hurry, with illustrations, second and enlarged edition (J. and A. Churchill, 1921).

British Labour, 1914-1921, Edited by A. W. Kirkaldy (Pitmans, 1921).

In Days to Come, by Walter Rathenau, translated from the German by Eden and Cedar Paul (Allen and Unwin, 1921).

The Acquisitive Society, by R. H. Tawney (Bell, 1921).

The Frontier of Control, by C. L. Goodrich, with a foreword by R. H. Tawney (Bell, 1920).

The Meaning of Family Endowment, by M. D. Stocks (Labour Publishing Co. and Allen and Unwin, 1921).

Industrial Problems and Disputes, by Lord Askwith (Murray, 1920).

The British Coal Industry, by Gilbert Stone (J. M. Dent, 1919).

Free Trade, by Rt. Hon. J. M. Robertson (J. M. Dent, 1919).

Currency cranks are a hardy tribe. A learned economic historian has observed that they show a specially high vitality at the close of devasting wars. Of this tough, ineradicable fellowship was that Italian deputy, who drew from Signor Luzzatti an impromptu, which ranks high among the Parliamentary exclamations of Finance Ministers, "This man is like a mad photographer, who thinks that,

if he takes more photographs, he will be increasing the population." Substantially of this same fellowship are Mr. Walter Jones and Mr. Cousens.

Mr. Jones' book is written in the style of a popular sermon, garnished with miscellaneous snippets from the press. Lack of "credit" and the high rates of interest charged for it are, in his view, "the chief causes of the social diseases from which the body politic is suffering" (p. 14). "£8,000 millions of debt will tax the resources of Great Britain, but if this were all it is easily surmountable; the trouble is that with the excessive charges for interest it may—judging from the experience of the past—reach £80,000 or £800,000 millions" (p. 24). The following procedure is therefore suggested, "as a method of paying for the war . . . simple and effective, whereby true patriotism may be shown that would redound to the credit of this great country, and confound our enemies at one and the same time" (p. 47). "The Government to create their own credit by the issue of legal-tender, non-interest bearing Treasury notes, sufficient to cover the total cost of the war, the par value to be guaranteed by the State, and any attempt to depreciate their value to be punishable by law" (p. 48). Further, "the root question of usury" must be "tackled" (p. 59), and "the only remedy is to put a wholesome limit by Act of Parliament upon excessive charges for credit" (p. 57). In another passage a maximum of 2 per cent. is suggested. "If there should be any difficulty in obtaining credit at ½ per cent. issue Treasury notes free of interest, to meet national requirements" (p. 150). "The present demand for credit exceeds the supply; the rate of interest goes up from 2½ per cent. to 7 per cent. as a result. The issue of liquid capital by the Government to meet the abnormal demand would stabilize exchange rates, credit and selling prices at one and the same time, and thus tend to maintain normal conditions" (p. 100).

So far Mr. Jones is true to type, a type not quite unknown even in the City of London. But across his last few pages there seems to fall the shadow of a sudden fear. "There is a limit to the credit even of Great Britain, and we are approaching dangerously near that limit. . . . Our credit is pledged up to the hilt" (p. 161). And again, "In spite of all the mistakes the Germans have made, they are deserving of credit for many things that we may copy. . . . They evidently see the danger to which they have exposed themselves—that trading on credit is a dangerous and expensive luxury" (p. 163). I do not know whether Mr. Jones has seen that shadow.

Mr. Cousens has designed "a topical introduction to the ideas of Major C. H. Douglas." The greater part of the book is an essay on the power of Finance, with a very big F. "Whoever can advance or refuse Financial Credit controls industry. . . . Look at the recent fortunes of the Dunlop Rubber Company or the complaint of the National Union of Manufacturers . . . that a high Bank Rate restricts national industrial expansion" (pp. 22-3). Mr. Cousens

deplores the general state of ignorance prevailing on this subject in many influential quarters, though " some Bolsheviks, e.g., Bukharin, (*Programme of the World Revolution*, p. 40), agree that in a Revolution the first thing is to seize the banks ; but he has no use for credit —which explains in part why Russian industry is so unproductive" (p. 23). Thrills and sensations follow quickly. " It is an open secret that certain financiers have access to members of the Cabinet at any hour they choose " (p. 31) ; " The motive force behind the antics of the Supreme Council is International Finance " (p. 37) " There are grounds for thinking that the present industrial depression is the result of a concerted move by International Finance " (p. 40), etc. The conclusion of the whole matter is that " balance of production and consumption can only be secured if the total purchasing power in the hands of the community is at least equal to the total prices charged for goods, if the prices are so regulated as to abrogate the Quantity Law of Money, and all inducements to keep goods on short supply are removed. This can only be done by fixing prices at a fraction of cost or by making a direct issue of purchasing power to everyone in excess of their wages, salaries or dividends " (p. 89). This, of course, is the Douglas doctrine, with which the world is gradually becoming familiarized. It is instructive to note Mr. Cousens' protest against the idea that his proposals have anything in common with " the practices of granting subsidies or working the note printing presses overtime, as is done in Central Europe and Russia " (p. 90). He evades the foreign exchange difficulty by observing that " International trade is, of course, barter, for which gold may well be the best lubricant " (p. 91). International Finance, apparently, confines its operations to domestic trade ! " In default of wider schemes, the Trade Unions should start banking on their own." This could be done without " entering into the question of the ultimate and proper basis of financial stability and credit. Their financial resources would be quite as good as those of most banks in the past " (p. 102). This small beginning would lead us on towards the fuller realization of the Douglas scheme, " which is unique among schemes for ' reforming the world,' in that it promises a reduction in the cost of living without any monetary sacrifice by anyone " (p. 106). Elementary economic knowledge is no doubt still less widely diffused than it ought to be, but we may hope that its diffusion is sufficient to prevent Major Douglas, Mr. Cousens and Mr. Jones from doing much harm.

The versatile Dr. Hurry, who is also the author of four books on medicine, five on archæology and two on sociology, makes a contribution which is worthy of more serious attention. His purpose is, not so much to discuss the causes of poverty, as to show how, when poverty has once come about, it tends to perpetuate itself. None the less his discussion of such causes is clear and exhaustive. But the leading idea of the book, as its title suggests, is that of " vicious circles " or " cumulativeness." Thus poverty breeds poverty

through bad housing, bad health conditions, and so forth. The latter part of the book deals with the constructive problem of breaking these vicious circles by legislation, by voluntary organization and by individual effort. But here Dr. Hurry, while adopting a cautious attitude towards large changes, is apt, perhaps, to overestimate the importance of small ones.

The book on *British Labour*, 1914-1921, though edited by, and bearing upon its cover the superscription of, Professor Kirkaldy, is in reality a composite work, the fruit of conferences and investigations of members of Section F of the British Association. The editor contributes an introduction, which is at once chatty and edifying. " From the captain of industry, or *entrepreneur*, as our brave Allies call him, down to the humblest wage-earner, we have a labour force which ought to be looked upon as one and indivisible. . . . As a race, we are healthily conservative, without being reactionary. . . . In other words, our organization enjoys that useful quality of elasticity which enables us to keep abreast of the times. . . . There is good ground for anticipating that there may be a period of good trade." This was apparently written just before the slump set in.

Part I on " Replacement in British Labour, 1914-1921," is the work of Miss Grier and Miss A. Ashley. This is an admirable piece of research, which might with advantage have been published separately on its own merits. It deals, in much lucid detail, with the expansion of the field of employment open to women between July, 1914, and November, 1918, and its contraction between the latter date and July, 1920. In all the more important occupations under review the contraction was somewhat smaller than the expansion, but it would be interesting to see the statistics carried on to a later date. Part II has the misleading title " Conciliation in British Labour, 1914-21." It consists, in fact, of two chapters. The first contains a résumé, at too great length and too often verbatim, of a series of speeches on " The Promotion of Industrial Harmony " delivered at a session of the British Association at Manchester in 1915. The second contains the Report, published in 1916, of a Committee of Section F on " Industrial Unrest," which, at this distance of time, has a somewhat jejune appearance. Part III is the work of Mr. C. G. Renold, who deals with various problems concerning Workshop Committees, their scope, organization, procedure, etc. The practical experience of an intelligent employer on such subjects is worth having.

Dr. Rathenau's recently acquired international reputation adds interest to a book, of which 65,000 copies have been sold in Germany. It is not easy to imagine a British politician sprung from the world of big business—Sir Allan Smith for example—writing a book of this kind. It is only in part concerned with economics, and less so than with philosophy. Some of it is such stuff as poems are made of, and much of it might have been spoken from a pulpit. The economic part of the discussion suffers somewhat from verbosity and reitera-

tion—and so, for that matter, does the whole book—but some of the leading ideas may be shortly stated. Marxian Socialism is a false approach to the problems of the future, since it takes no account of spiritual forces, nor of the necessity for the payment of interest even in a Socialist state, though the payment might be made to the State and not to individuals. "The necessity of interest derives from the necessity of choice among rival projects. It is the expression of superlative urgency and lucrativeness among the schemes for satisfying needs" (p. 71). Wasteful consumption, unequal opportunities and over-emphasized class contrasts are among the greatest economic evils of to-day. The cure for these is to be found in heavy taxation of luxuries, in the limitation of inherited wealth and in the development of "autonomous enterprises." "The moral concept of inheritance has been hallowed by the practice of centuries. Consequently the world has failed to realize . . . that the suppositions upon which the right of inheritance was originally based are no longer valid. . . . The capitalistic era grew unnoted out of the era of hereditary feudalism. By the force of tradition, without intelligent consideration of the question, the privileges of inheritance accrued to capitalism as indestructible characteristics. But whereas hereditary nobility entailed duties as well as conferring rights, heritable wealth carried with it nothing but rights" (pp. 108-9). "The restriction of the right of inheritance, in conjunction with the equalization of popular education at a higher level, will throw down the barriers which now separate the economic classes of society" (p. 111). Dr. Rathenau would gradually stiffen the death duties and would fix a limit of a "moderate amount" to individual inheritance of landed property (p. 117). He does not believe that such a policy would check saving.

The conception and discussion of "autonomous enterprises" form, perhaps, the most original and suggestive part of the book. But the discussion, occupying only six pages (pp. 119-125), is too short for the full development of this interesting idea. Universities, hospitals and charitable trusts would appear to be particular cases of "autonomous enterprises" in Dr. Rathenau's sense, "a domain of intermediate structures . . . between the domain of State organizations and the domain of private businesses." He looks forward to the gradual entry into this category of large numbers of business enterprises. A joint stock company could enter it by using its undistributed profits to buy out its shareholders, a process to which, however, there are at present legal obstacles. The enterprise, in its new form, should be "permanently conducted by the best discoverable instruments," directors to whom "the growth and the power of this organism" would be "a far greater delight than lucre, the desire for gain being overshadowed by ambition and by the joys of creation." A sense of responsibility and of trusteeship would predominate over a desire for profits, though there is no reason to suppose that such directors would not be well remunerated. New

capital would be provided out of the funds which previously would have been paid as dividends to " functionless shareholders." This idea is worth working out in greater detail. It contains elements which might appeal to men of the type of Leverhulme, Stinnes or Rockefeller. Given favourable conditions, " the firm " should not be much less capable of evoking socially valuable emotions than " the school," " the regiment " or " the old country."

There is an affinity between Dr. Rathenau's book and Mr. Tawney's *Acquisitive Society*. For Mr. Tawney, too, makes appeal to moral principles and looks towards " Days to Come," which shall witness, as he hopes, large changes in the present economic order, less sharply marked class contrasts, a cessation of payment to " functionless " persons and, in Dr. Rathenau's words, " the replacement of the spirit of covetousness by the sense of responsibility." But there are differences of detail and of emphasis between the two writers. Mr. Tawney leads up to his constructive proposals by a criticism of those political theories which lay stress upon rights rather than duties, and of the much too absolute insistence, as he deems it, which modern Conservatives are apt to lay upon the rights of property. He desires to see " the application to property and industry of the principle of function," which " means, in effect, that society should be organized primarily for the performance of duties, not for the maintenance of rights, and that the rights which it protects should be those which are necessary to the discharge of social obligations " (p. 96). It is easy to accept this principle, but more difficult to agree about the details of its application. Some economists, even among the living, would argue that it is applied faithfully in the world of to-day, in which, they would maintain, property rights are the reward of the performance of the duties of saving and risk-taking. But inherited wealth, " unearned increment " and monopoly profits make large breaches in this argument, which is less commonly encountered in an unqualified form nowadays than it used to be. Not all, however, who would be willing to make large qualifications here, will follow Mr. Tawney all the way. It is impossible, within the limits of this review, to discuss his various interesting contributions to current controversy. He desires to see industry " organized as a profession " and permeated by the professional spirit in its best sense. But if this is to come about, two changes, he thinks, are requisite. " The first is that industry should cease to be conducted by the agents of property-owners, and should be carried on, instead, for the service of the public. The second is that, subject to rigorous public supervision, the responsibility for the maintenance of the service should rest upon the shoulders of those, from organizer and scientist to labourer, by whom, in effect, the work is conducted " (p. 111). He would reduce the passive shareholder to the position of a debenture holder, entitled to a fixed rate of interest. It is an obvious criticism that this would relieve ordinary shareholders of liability to risk, and it is as risk-bearers, not less than as savers, that

modern orthodoxy regards them. Mr. Tawney partly anticipates this criticism in a discussion (pp. 127 ff) of the risks of industry. He argues that " natural risks " and the " risks of experiment " are largely unavoidable, and should be covered by deliberately setting aside funds for the purpose, while " competitive risks " are largely avoidable and should, by improvements in industrial organization, be avoided. But this line of reasoning does not show conclusively that it may not still be cheaper in many cases to get unavoidable risks taken by offering the inducement of fluctuating profits. Mr. Tawney's treatment of " nationalization as a problem in constitution making " (pp. 137 ff) is well done. The word " nationalization," as he remarks, is neither felicitous nor unambiguous. " Private enterprise " is no less ambiguous. Amid the slipshod verbiage of much popular controversy, he is right in saying that " serious discussion of the future of industry . . . will not progress until it is recognized that . . . public ownership, like private enterprise, may be accompanied by any one of a dozen different systems of organization, and that its effect, good or bad, will depend, not upon the name used to describe it, but upon which particular system of organization is adopted in any given case " (p. 148). In this book Mr. Tawney makes a useful contribution to this serious discussion.

Mr. Goodrich makes a somewhat similar contribution in a more limited field. His aim is to render more concrete such hack phrases as " workers' control," " management and discipline," and so forth. He examines the precise decree of control actually exercised in 1919 by organized labour in various British industries, and the precise claims put forward by various sections of opinion for increased control. Some of the features in the picture have already changed, but it is helpful to clear thinking to have had it drawn in so much detail.

Mrs. Stocks' booklet deserves a wide circulation. For, though it does not settle the problem with which it deals, it succeeds in stating it shortly and clearly. The question at issue is whether family income should be more closely adjusted to family needs and, if so, whether such an adjustment is practicable without doing more harm than good. Various methods of securing a closer adjustment are considered, the formation of a " wage pool " for each industry, or for a group of industries, or a scheme of " family endowment " out of public revenue, this scheme again offering two possible forms, according as payments are made in money or in kind through an extension of free services. The " wage pool " would be fed by equal contributions in respect of each worker, regardless of family responsibilities, and would be used for making payments in proportion to such responsibilities. Mrs. Stocks, having glanced at the population question, passes it by on the other side. But an adequate treatment of this aspect of the problem would have swollen her booklet into a large book. The whole subject is interesting and important and deserves much fuller study than it has yet received. In this, as in other matters, Australian communities seem inclined to act as

pioneers and to try experiments which should prove instructive to the rest of the world.

Lord Askwith was officially engaged in preventing and settling trade disputes for twenty-three years, from 1895 till December, 1918. He is commonly, and probably rightly, regarded as a great conciliator. How did he do it? Apparently by persistence and tact and by consistently applying what he calls "the principle of exhaustive discussion," or, in other words, by making the two sides so sick of the sight of each others' faces and the sound of each others' voices, that agreement seemed at length to be the least of evils. He gives a characteristic example of his methods in the following passage (p. 82). "I went to those employers next day determined to get a settlement. I kept them in argument and without food for nine hours on end. I tried every means I could devise, and I think literally wore them down. At last they signed a document even better than the men had told me they would take; but, foodless as I was, it took me two hours more to persuade those men that they could not possibly get more, when they advanced new points as soon as they saw there was a possibility of a settlement." Lord Askwith nowhere tells us on what principles he sought to fix wages, even when acting freely as an arbitrator. Perhaps he had none, and owed part of his practical success to this fact. Further light, or confessions, on this point would have been more interesting than his discussion of "ca'canny" and socialist theory, which is rather skin deep. But his book gives, better than any other which has yet been published, the general atmosphere of trade disputes and the salient features of all the more important of the series which occurred in this country between 1889 and 1918. Certain Ministers of the Crown and other official persons make a poor show in his story, especially during the war period. To most of the employers and trade union leaders with whom he came in contact he is more kind. They were, at any rate, the raw material of his many triumphs, whereas Mr. Lloyd George was continually upsetting the working of his machine, and ended by banishing him to the House of Lords.

Mr. Stone and Mr. Robertson are contributors to Dent's Reconstruction Series, counting among their miscellaneous bed-fellows, Mr. Eustace Miles, who writes on *Self-Health as a Habit*. Mr. Stone's little book on the British Coal Industry begins with a convenient, though elementary, summary of the past history and present organization of the industry. Modern threats of "direct action" in this section of the economic world are not without a pedigree, for we learn (p. 36) that the Act of 1850, which first provided for State inspection of coal-mines, imposed "penalties for obstructing inspectors, a clause inserted because of Lord Londonderry's assertion that if an inspector came to his mines, he would not allow him to go down, and if he did go down he could stay there." Passing to present problems, Mr. Stone, like all other intelligent people, is much concerned at the decline of productivity and the high cost of production

of British coal. On this subject he is full of interesting statistical information. He has a good chapter, too, on the complexities of present methods of wage payment. He is rather dubious about the Sankey recommendations, though not definitely opposed to them. But he shares the common opinion that one of the chief obstacles to increased output is psychological rather than economic, namely the reluctance of the miners to do their best under a system which they dislike, and he is strongly in favour of the coal-owners making a clean breast of their profits to the men's representatives, if not to the general public.

Mr. Robertson's case for Free Trade is an oft-told tale, and one oft told better. Thoughtful free traders, who appreciate the strength of some of the arguments on the other side, will be inclined to say, on reading this book, " Almost thou persuadest me to be a protectionist! " It is a popular book, in the bad sense of the word, made up to a large extent of mere debating points, plausible only to those whose acquaintance with economic principles is very slender.

Mr. Robertson either lacks, or for purposes of propaganda conceals, any understanding of the significance of price changes. Thus the " immense expansion " of British cotton exports " under free trade " between 1903 and 1913, is stated in values and not in volumes with a great gain in dramatic effect (p. 7). Still more glaring, on the other hand, is the " historic test " on pp. 74-5, where " an actual Stockport grocer's bill of 1841 " for a number of articles in common use is set out in detail. It amounted to £3 1s. 7d. And then " to bring out with precision the difference in costs as between 1842 and 1909, a local free-trader ordered from a grocer all the articles specified in the old bill," and found that in 1909 they cost 18s. 11½d. All due to free trade, Mr. Robertson would leave us to imagine! It is no surprise to find Cobden defended at all costs and with little logical discrimination. " We have often been told that Cobden was badly wrong when, in 1846, he said that if Britain adopted free trade in its entirety, ten years would not pass before the other countries of the world would begin to follow our example. But Cobden was perfectly right. In 1846, as it happened, we did not adopt free trade in its entirety. Strictly speaking we have never done so, seeing that we kept up import duties on wine and spirits, tobacco, tea, coffee and sugar " (pp. 33-4). Then how can it be proved that Cobden was either right or wrong? In discussing the argument for protective duties on imports from countries with depreciated foreign exchanges (pp. 134 ff), Mr. Robertson makes no reference to currency inflation as a factor to be considered, and shows no sign of having read anything written by economists on the foreign exchange problem since 1914. Again " the World War has proved Great Britain to be of all European nations the strongest in point of financial endurance " (p. 59). Germany, we are encouraged to believe, was defeated, not by weight of man-power, nor by the blockade, but because before the war she had pursued a protectionist policy. Mr. Robertson

continually spoils his case by such extravagances and lack of judicial spirit. He reminds one of the Lord Chancellor who, being asked whether he saw any moral objection to the preferment, *ceteris paribus*, of his own relatives, replied " *ceteris paribus* be damned! " It may be that, in this book, Mr. Robertson is acting on the propagandist principle that " gawks must be fed with gawks' food," or it may be that he himself is a free trader on grounds which are intellectually inadequate. But, in either case, for the serious student this sort of thing won't do.

School Notes

Commemoration Week

It has been decided to institute an annual "Commemoration Week" in connection with the School, to be held during the last week of the Summer Term. A programme is being arranged which will include an "Oration Day," on Friday, June 23rd, when the work of the School will be reviewed by the Director of the School, and the Oration will be delivered by the Rt. Hon. H. H. Asquith, M.P. A Reception will be held which will afford an opportunity for inviting benefactors and friends of the School to see the building. Final detailed arrangements will be found on the next page.

Advanced Lectures in Anthropology

Two public lectures on "Modern Views of Indo-European Origins" were given at the School of Economics by Dr. Peter Giles, Master of Emmanuel College, Cambridge, on Fridays, May 12th and 19th, at 5 p.m. The Chair was taken by Dr. W. H. Rivers, President of the Royal Anthropological Institute. The lectures were given under the auspices of the University of London.

A course of eighteen lectures on the "Sociology and Economics of Some Island Communities" is being given during the Summer Term by Dr. Malinowski, on Mondays and Thursdays at 5 p.m. These lectures, applying specially to the Trobrian group, embody the results of a four years' investigation among the islands of South-Eastern Papua.

A "Barometer" of Economic Conditions

The Statistical Department, under the direction of Professor A. L. Bowley, and with the advice of a small committee of financiers and business men during 1921, examined the possibility of a systematic accumulation of current statistics in a form which would indicate the changes of the industrial and commercial situation, and act as a "barometer" of economic conditions. The scheme is in general on the lines of the well-known Index of Business Conditions issued by a Committee of Harvard University. The co-operation of correspondents in France, Italy, Belgium and Germany has been secured, and early this year it was arranged that the School and Harvard should co-operate, so that the figures for Europe and for the United States should be available together. The "barometer" is now being published for six months in the "Reconstruction" supplements of the *Manchester Guardian*, and it is hoped that the scheme will be continued and developed after September.

Research Studentships

Two Research Studentships for postgraduate work, available for two years, will be awarded in July, 1922, one for £175, and one for £75. The Hutchinson Research Studentship of the value of £105 a year for two years, originally the gift of the Constance Hutchinson Trustees, will also be awarded in July. The Studentships (which include the remission of School fees in each case) will be awarded only in the event of suitable candidates presenting themselves. They are awarded, when possible, without examination, but the Committee of Award reserves to itself the right to set papers in Economics and Political Science to selected candidates if considered desirable.

The Research Studentships of the School are intended to promote the execution of definite pieces of original work relating to either past or present economic or political conditions and to enable students to become trained investigators. The successful candidates are expected to devote their whole time to their work, attending for this purpose at the School or carrying on their researches in such fields of investigation as may be required. In some cases part-time work, such as coaching, may be undertaken, but only with the permission of the Director. Some definite subject of investigation of limited scope is chosen by the candidates, subject to the approval of the Director, and this subject they are assisted to study at first hand with a view to the preparation of a short monograph, and the candidates' first task is to perfect themselves, under expert direction, in the methods of investigation and research.

Programme for Commemoration Week.

Tuesday, June 20th ...	Commemoration Play in the School Hall at 8.15.
Wednesday, June 21st.	School Dinner in School Refectory, 7.45 for 8.
Thursday, June 22nd.	Commemoration Dance in School Refectory.

ORATION DAY.

Friday, June 23rd ...	Reception and Tea in School Refectory, [4-5.30. Oration in Great Hall, 5.30. Old Students' Dinner, 8.
Saturday, June 24th...	Garden Party at Malden (the new School Playing Field), 3 to 6.

Books Received

L. V. Birck : *The Theory of Marginal Value.* Routledge and Sons.
J. St. Lewinski : *The Founders of Political Economy.* P. S. King.
Sir J. Stamp : *Wealth and Taxable Capacity.* P. S. King.
L. L. B. Angas : *Reparations, Trade and Foreign Exchange.* P. S. King.
C. Nordmann : *Einstein and the Universe.* T. Fisher Unwin.
G. Mortara : *Prospettive Economiche,* 1922. Università Bononi di Milano.
R. Bachi : *L'Italia economica nel* 1920.
J. A. Bowie : *Sharing Profits with Employees.* Pitmans.
E. Fagnan : *Le Livre de l'impot foncier* [*Kitab el-kharadj*]. Haut-Commissariat de la République française en Syrie.
K. S. Woods : *The Rural Industries round Oxford.* Oxford University Press.
H. D. Henderson : *The Cotton Control Board.* Oxford University Press for Carnegie Endowment for International Peace.
O. F. Boucke : *The Development of Economics.* Macmillan Co.
J. M. Keynes : *A Revision of the Treaty.* Macmillan and Co.
F. von Koch : *On the Theories of Free Trade and Protection.* King.

Periodicals Received

Giornale degli Economisti.
Political Science Quarterly.
The Journal of International Relations.
La Riforma Sociale.

PRINTED BY GARDEN CITY PRESS LETCHWORTH.

The Relation between Wholesale and Retail Prices since the War

By Arthur L. Bowley,
Professor of Statistics, University of London.

It has been known for a long time in a general way that the movements of retail prices followed those of wholesale prices after an interval and that their oscillations were of a smaller amplitude, but there is not much published work on the subject. It has, in fact, been difficult to obtain data for such a study, since the more easily available statistics are on a yearly basis, while the interval between the movements is only a few months. Since July, 1914, the retail prices of food have been published monthly in the *Labour Gazette*, and it is, therefore, now possible to make a detailed analysis. This paper is limited to the period since the Armistice, and deals with index-numbers representing averages and not with prices of separate commodities.[1]

The general nature of the problem is shown in the first figure of Diagram I. The index-numbers of wholesale and retail food prices were both approximately 230 at the beginning of 1919 (the period immediately before the war being represented by 100) ; after a brief fall both numbers rose to a maximum in 1920, and fell in 1921, and early in 1922 the fall was checked. The general movements are thus similar, but there is a difference in the dates of the maxima of the two numbers, and there are many differences in detail. The problem is to find a formula which relates the retail index-number at any date with the wholesale index-number of the same or of a preceding date, and there is a subsidiary problem to forecast the movements of the retail from those of the wholesale index-number.

Three methods are here applied to obtain a solution of the problem, which I may call Dr. Elsas's method, the correlation method, and the method of differences.

Dr. Elsas in connection with his bi-monthly analysis of prices in Germany desired to foretell by at least two months the movement of retail prices. He argued that retail prices in the near future are determined partly by the existing retail prices, which are related to the cost of the stocks of commodities already in the market, and partly by existing wholesale prices which determine the cost of the stock coming forward, and that, therefore, a future retail price index-number will be some function of the current wholesale and retail

[1] For the war period, see *Prices and Wages in the United Kingdom*, 1914 *to* 1920, chs. iii and iv ; and for a slight study of food prices in the years 1891 to 1913, see *The Economic Journal*, pp. 514-23, 1913.

price numbers. He adopted the empirical formula, "Retail index-number in any month equals the cube root of the product of the wholesale index-number and the square of the retail index-number two months earlier," and by this formula forecasted in May the great fall of the internal value of the mark in the coming two months with fair precision.[1] I have used a similar formula for the comparison of wholesale and retail index-numbers for food in the United Kingdom, except that I have taken a weighted arithmetic instead of a geometric average and have calculated the weights by the method of least squares. For a two months' forecast I use (approximately) the formula,[2] "Three-fourths of the existing retail index plus one-fourth of the wholesale index." The agreement of the formula and the records (shown in Table I) is fair, the mean error being 4 per cent. (9 points).

Dr. Elsas's formula is based on very short periods without explicit reference to earlier movements. The correlation method, on the other hand, depends on the average level of the numbers over the whole period studied. Between the *Statist* wholesale food index and the *Labour Gazette* retail food index in the 37 months to May, 1922, I find that the correlation coefficient is the same (·967 or ·968) when retail prices are compared with wholesale prices three and four months earlier, and is greater than when the comparison is made for two months (·955) or five months (·914) in advance. The coefficients are much smaller when retail prices are compared with retail, being ·622, ·907 and ·529 for one, two and three months earlier. The closest relationship on this test is with retail prices two months and wholesale prices three months before, and the result of the formula is shown in the second figure of Diagram I. The mean difference between formula and record is 6·1 points or 2½ per cent. If, however, we take wholesale prices only the mean difference is only 6·2 points, and we have the advantage of forecasting three months ahead instead of two.

The formulæ based on correlation coefficients give only the answer to the question, "What linear equation between the retail price-index at one date and wholesale or retail price-indexes at earlier date gives the closest approximation to the facts, under the test that the sum of the squares of the residuals shall be least?" The formulæ are, in fact, quite empirical, and the coefficients may depend on the period taken in their calculation. There is little doubt that they will only be applicable in the future over a small range of variation; under formula (*e*) if wholesale prices returned to a pre-war level, retail prices would be 36 per cent. above the pre-war level. The importance of the method (apart from short-period prediction) lies in the

[1] *Der Stand der Kosten der Lebenshaltung*, May and July, 1922. In May the purchasing power of the mark was reckoned at 3·19 and 1·52 pfennige, retail and wholesale; the formula gives $\sqrt[3]{(3\cdot19^2\times1\cdot52)}=2\cdot49$. In July the number actual was 2·38.

[2] The formulæ and correlation coefficients are collected on pp. 199-201 below.

analysis of the time-lag between wholesale and retail prices (for which three or four months is here suggested), and in their relative oscillations. The coefficient of variation (the standard deviation expressed as a percentage of the average) is 19·0 for wholesale and 13·5 for retail; that is, by this measurement, the oscillations of retail food prices are seven-tenths of those of wholesale. The result agrees very closely with that found in the period 1896-1910 (*loc. cit.*).

A more direct method of approach is by the comparison of the change in the wholesale index-number with a subsequent change in the retail index-number. Thus from January 31st to February 28th, 1921, the wholesale index fell from 251 to 234, 17 points; from April 1st to May 1st, the retail index fell from 238 to 232, 6 points, and in the next month 14 points; either of these can be expressed as a ratio of the 17. The coefficients of correlation between these variables are relatively small; between the difference of successive retail prices and that of wholesale prices one, two, three and four months earlier they are ·49, ·505, ·52 and ·41. The correlation coefficients in the former method are larger, because they include the influence of the great movement up and down in the three years. We obtain as the relation for a three months' interval, "The number of points passed in a month by the retail index=three-eighths of the number passed three months earlier by the wholesale index." The mean deviation between the price-index given by this formula and the actual record is 5·2 points (2¼ per cent.), and is smaller than obtained by the previous methods. The advantage of the difference method is that it only depends on recent records, not involving a long period average; the disadvantage is that it can only be used for forecasting one month ahead, a two months' forecast proving to be untrustworthy. All these formulæ have been used in the tables to forecast the retail index in June, July and August, 1922, months not involved in their computation. For June the forecasts varied from 171 to 178, the actual number being 170; for July the forecasts were from 171 to 183, the actual number being 180; for August the forecasts vary from 172 to 189 in sympathy with the irregular wholesale index-movements from April to June, and the actual number is 175. Formula (*f*), depending on retail prices two months and wholesale prices three months before, comes best in this test, forecasting the numbers as 174, 178, 183, while 170, 180 and 175 were realized.

The retail and wholesale indices both include wheat (or bread), flour, potatoes, beef, mutton, bacon, butter, sugar and tea. The wholesale index includes also barley, oats, maize, rice, pork and coffee; the retail index includes also fish, milk, eggs and margarine. The allocations of weights also are different. A further test has been made by computing the retail index after the elimination of fish, milk, eggs and margarine, the first three of which are seasonal in their price variations. The results are shown in Section B of the formulæ (p. 200 below) and in Table III. It is surprising to find

that there is, on the whole, no closer relationship found than in the unadjusted numbers.

For many purposes the study of the relationship between the more broadly based index-number of the *cost of living* and *wholesale prices generally* is more interesting than that which relates to food alone. For this study the usual *Statist* index-number for food and materials together is used. The relative weights in the Cost of Living index are: food 15, clothing, 3; fuel and light, 2; miscellaneous items, 1, and rent, 4; of these, rent, of course, is not represented in the wholesale index, while it has a steadying influence on the retail. The results are shown in Section C of the formulæ (p. 200), Table IV and Diagram II. It is a curious fact that, with the wider basis and the less obvious connection, the correlation coefficients are nearly as great and the mean difference between the computed and recorded figures is actually less than before. The coefficients of correlation with wholesale prices two, three, four and five months before are ·894, ·938, ·955 and ·940, the greatest being that when the interval is four months. The mean difference when the four months' formula is used is 5·9 points (2½ per cent.). Table IV shows that a great part of this difference is due to the movements in four months in the autumn of 1920, and in four months of the late summer and autumn of 1921; the causes of the excess retail prices at these periods have not been fully analysed, but the removal of the bread subsidy in 1920 and the effects of the drought on home produce in 1921 are certainly partly responsible. If the formula is reconstructed after the elimination of these 8 months (depending then on 29 months only) its agreement with observations over the 37 months is nearly as good as before, while in the 29 months the mean difference is only 3·6 (1½ to 2 per cent.). The correlation coefficient for the 29 months is no less than ·991. This revised formula forecasts four months ahead, and gave 181, 180, and 181[1] for June, July and August this year, while, in fact, 180, 184, and 181 were recorded.

The formula is: "Cost of Living index for the 1st day of a month $=103\cdot6+\cdot58P_{-4}$," where P_{-4} is the *Statist* index-month four months and a day before.

This formula does not express a law of nature or of economics, but is merely an empirical equation whose numerical constituents will be gradually modified, and it is liable to fail whenever there is any temporary disturbance in the retail price of a seasonal commodity. The closeness with which it represented the facts for three years is, however, very remarkable.

This paper should be regarded as an examination of methods, rather than as leading to definite and general conclusions. It is proposed in the near future to apply some of these methods to the relationship between wholesale and retail prices of particular commodities.

[1] For September 1st, October 1st, and November 1st, 1922, the formula gives 182, 182, and 180.

Notation and Formulæ.

p is the retail (or Cost of Living) index-number in any month; p_{-1}, p_{-2}, p_{-3} are the corresponding numbers one, two and three months previously; P_{-1}, P_{-2}, P_{-3}, etc., are the corresponding wholesale index-numbers; e.g.:

p, May 1st; p_{-1}, April 1st; p_{-2}, March 1st; P_{-1}, March 31st; P_{-2}, February 28th.

A.—See Tables I and II and Diagram I.

Statist wholesale food index-number and *Labour Gazette* retail food index-number.

Standard deviations and averages:

		Standard deviation.	Average
Wholesale, 37 mths. beginning	Nov. 1918	42·26	249·6 P_{-5}
,, ,, ,,	Dec. 1918	44·63	247·6 P_{-4}
,, ,, ,,	Jan. 1919	46·72	245·6 P_{-3}
,, ,, ,,	Feb. 1919	48·16	243·7 P_{-2}
Retail, 37 months beginning	Mar. 1919	27·9	230·8 p_{-2}
,, ,, ,,	May 1919	30·7	228·4 p

Coefficients of correlation:

$r_{pP_{-2}} = \cdot 955$, $r_{pP_{-3}} = \cdot 968$, $r_{pP_{-4}} = \cdot 967$, $r_{pP_{-5}} = \cdot 914$;
$r_{pp_{-1}} = \cdot 622$, $r_{pp_{-2}} = \cdot 907$, $r_{pp_{-3}} = \cdot 529$.

Formulæ, and mean differences between results of formulæ and records:

1. Dr. Elsas's methods:

$p = \cdot 87p_{-1} + \cdot 13P_{-1}$;	mean difference	5·3	(*a*)
$p = \cdot 74p_{-2} + \cdot 26P_{-2}$;	,, ,,	9·2	(*b*)
$p = \cdot 63p_{-3} + \cdot 37P_{-3}$;	,, ,,	11·7	(*c*)
$p = \cdot 56p_{-4} + \cdot 44P_{-4}$;	,, ,,	14·6	(*d*)

The coefficients are found, e.g., in (*a*) by choosing k and l so that the sum of the squares $(p - kp_{-1} - lp_{-2})^2$ is a minimum.

See Table I.

2. Regression equations:

$p = 81 \cdot 0 + \cdot 605P_{-2}$;	mean difference	7·4	—
$p = 72 \cdot 2 + \cdot 636P_{-3}$;	,, ,,	6·2	(*e*)
$p = 50 \cdot 5 + \cdot 524P_{-3} + \cdot 213p_{-2}$;	,, ,,	6·1	(*f*)
$p = 63 \cdot 8 + \cdot 665P_{-4}$;	,, ,,	7·5	(*g*)

The coefficients are found, e.g., in (*f*), by choosing k, l and m so that the sum of the squares $(p - k - lP_{-3} - mp_{-2})^2$ is a minimum.

See Table II and Diagram I.

3. Variate differences of the first order:

$p=p_{-1}+\cdot35\ (P_{-1}-P_{-2})$;	mean difference		5·2	—
$p=p_{-1}+\cdot37\ (P_{-2}-P_{-3})$;	,,	,,	4·9	(*h*)
$p=p_{-1}+\cdot375(P_{-3}-P_{-4})$;	,,	,,	5·2	(*i*)
$p=p_{-1}+\cdot30\ (P_{-4}-P_{-5})$;	,,	,,	5·75	—

The coefficients of correlation between $(p-p_{-1})$ and $(P_{-1}-P_{-2})$, $(P_{-2}-P_{-3})$, $(P_{-3}-P_{-4})$, $(P_{-4}-P_{-5})$ are ·49, ·505, ·52, ·41 respectively, and the standard deviations of $(p-p_{-1})$, and $(P_{-1}-P_{-2})$, etc., are approximately 8 and 11. The numerical factor in each equation is the correlation coefficient multiplied by the ratio of the standard deviations.

See Table II.

B.—See Table III.

Statist wholesale food index-number and *Labour Gazette* retail food index-number, fish, milk, margarine and eggs being excluded.

Standard deviation and average:

Retail, 37 months beginning May, 1919, standard deviation 32·12, average 222·46.

For wholesale, as under A.

Coefficients of correlation:

$r_{pP\text{-}1}=\cdot900$, $r_{pP\text{-}2}=\cdot951$, $r_{pP\text{-}3}=\cdot954$, $r_{pP\text{-}4}=\cdot944$, $r_{pP\text{-}5}=\cdot923$; $r_{pp\text{-}1}=\cdot963$, $r_{pp\text{-}2}=898$, $r_{pp\text{-}3}=\cdot818$; $r_{(p-p\text{-}1)\ (P\text{-}2-P\text{-}3)}=\cdot47$, $r_{(p-p\text{-}1)\ (P\text{-}1-P\text{-}2)}=\cdot57$.

Formulæ, and *mean differences* and *mean squared differences* between results of formulæ and records:

	Mean difference	Mean squared difference.	
$p=102\cdot1+\cdot50P$;	—	—	—
$p=\ 80\cdot4+\cdot585P_{-1}$;	12·2	—	—
$p=\ 68\ +\cdot634P_{-2}$;	8·6	11·0	—
$p=\ 61\cdot4+\cdot656P_{-3}$;	8·1	9·5	(*j*)
$p=\ 38\ +\cdot5P_{-3}+\cdot28p_{-2}$;	6·9	8·4	(*k*)
$p=\ 35\ +\cdot5P_{-3}+\cdot283p_{-3}$	7·2	9·3	(*l*)
$p=\ 54\cdot4+\cdot68P_{-4}$;	8·1	10·5	(*m*)
$p=p_{-1}\ +\cdot437(P_{-1}—P_{-3})$	4·3	—	—
$p=p_{-1}\ +\cdot363(P_{-2}—P_{-3})$	4·1	—	—

No difference is made in (*m*), if p_{-3} is also included, since its coefficient is found to be zero.

C.—See Table IV and Diagram II.

Statist general wholesale price index-number and *Labour Gazette* Cost of Living index.

Standard deviations and Averages:

		Standard deviation.	Average.
Wholesale, 37 mths. beginning	Dec. 1918	48·28	249·1 P_{-4}
,, ,,	Jan. 1919	50·33	247·0 P_{-3}
Cost of Living ,, ,,	May 1919	24·96	225·4 p

Coefficients of correlation.

$r_{pP_{-2}}=\cdot 894$, $r_{pP_{-3}}=\cdot 938$, $r_{pP_{-4}}=\cdot 955$, $r_{pP_{-5}}=\cdot 940$.

Regression equations and mean differences between results of formulæ and records:

$p=110\cdot 3+\cdot 466P_{-3}$	7·4	(o)
$p=102\cdot 4+\cdot 494P_{-4}$	5·9	(p)

If the 8 months, October, 1920, to January, 1921, and August to November, 1921, are omitted in the calculation, the coefficient of correlation ($r_{pP_{-4}}$) becomes ·991 and the regression equation is

$p=103\cdot 6+\cdot 476P_{-4}$ 6·0 (q);

the mean difference for the remaining 29 months is, however, only 3·6.

In the formulæ under C, the *Statist* index is expressed as percentage of its average level, April to July, 1914, which on the *Statist* base was only 82. If P_{-4} stands for the *Statist* number as generally given, formula (q) becomes

$$p=103\cdot 6+\cdot 58P_{-4}.$$

	Wholesale	Retail.	*Dr. Elsas's Method*							
			Months in Advance.							
			One.		Two.		Three.		Four.	
			Formula (*a*)	Differences	Formula (*b*)	Differences	Formula (*c*)	Differences	Formula (*d*)	Differences
1919	236	230								
	234	230								
	235	220								
	223	213								
	223	207	214	+ 7	224	+17	231	+24	233	+26
	226	204	209	+ 5	216	+12	226	+22	232	+28
	229	209	207	− 2	211	+ 2	217	+ 8	227	+18
	231	217	212	− 5	210	− 7	213	− 4	217	0
	242	216	219	+ 3	214	− 2	212	− 4	214	− 2
	244	222	219	− 3	221	− 1	216	− 6	214	− 8
	253	231	225	− 6	223	− 8	222	− 9	218	−13
	258	234	234	0	228	− 6	226	− 8	223	−11
1920	260	236	237	+ 1	237	+ 1	230	− 6	227	− 9
	265	235	239	+ 4	240	+ 5	239	+ 4	232	− 3
	286	233	239	+ 6	242	+ 9	243	+10	241	+ 8
	300	235	240	+ 5	243	+ 8	245	+10	245	+10
	315	246	243	− 3	247	+ 1	246	0	247	+ 1
	318	255	255	0	252	− 3	253	− 2	248	− 7
	325	258	263	+ 5	273	+15	259	+ 1	256	− 2
	325	262	267	+ 5	271	+ 9	272	+10	264	+ 2
	319	267	270	+ 3	275	+ 8	278	+11	276	+ 9
	308	270	274	+ 4	278	+ 8	283	+13	283	+13
	302	291	275	−16	280	−11	285	− 6	287	− 4
	291	282	292	+10	280	− 2	284	+ 2	290	+ 8
1921	253	278	283	+ 5	294	+16	284	+ 6	290	+12
	251	263	275	+12	284	+21	295	+32	287	+24
	234	249	261	+12	272	+23	285	+36	296	+47
	232	238	247	+ 9	260	+22	269	+31	286	+48
	225	232	237	+ 5	245	+13	259	+27	268	+36
	211	218	231	+13	236	+18	243	+25	258	+40
	207	220	217	− 3	230	+10	236	+16	242	+22
	206	226	218	− 8	216	−10	229	+ 3	235	+ 9
	207	225	223	− 2	217	− 8	215	−10	229	+ 4
	190	210	223	+13	221	+11	215	+ 5	215	+ 5
	168	200	207	+ 7	220	+20	219	+19	214	+14
	168	195	196	+ 1	205	+10	218	+23	217	+22
1922	160	185	191	+ 6	192	+ 7	203	+18	217	+32
	162	179	182	+ 3	188	+ 9	188	+ 9	201	+22
	166	177	177	0	179	+ 2	185	+ 8	186	+ 9
	174	173	176	+ 3	175	+ 2	176	+ 3	183	+10
	183	172	173	+ 1	174	+ 2	173	+ 1	174	+ 2
	179	170	(173)		(173)		(173)		(171)	
	178	180	(171)		(175)		(173)		(172)	
	174	175	(180)		(172)		(176)		(173)	
Mean difference between formulæ results & records			5·3		9·2		11·7		14·6	

The formulæ are calculated on 37 months' records. Numbers in brackets are forecasts given by the formulæ. The entries in the first line, first two columns, are for December 31st, 1918 (wholesale), and January 1st, 1919 (retail). For the first column: Average of 1913=100. Second column: July, 1914=100.

TABLE II.
RETAIL FOOD INDEX-NUMBERS

	Regression Equations.						Difference Method.			
	P_{-3}.		P_{-3} & p_{-1}.		P_{-4}.		Two months.		Three months.	
	Formula (*e*)	Differences	Formula (*f*)	Differences	Formula (*g*)	Differences	Formula (*h*)	Differences	Formula (*i*)	Differences
1919	221	+14	220	+13	221	+14	213½	+ 6½	212	+ 5
	222	+18	219	+15	219	+15	202½	− 1½	207½	+ 3½
	214	+ 5	211	+ 2	220	+11	204	− 5	199½	− 9½
	214	− 3	211	− 6	212	− 5	210	− 7	209	− 8
	216	0	213	− 3	212	− 4	218	+ 2	218	+ 2
	218	− 4	217	− 5	214	− 8	217	− 5	217	− 5
	219	−12	218	−13	216	−15	226	− 5	223	− 8
	226	− 8	225	− 9	217	−17	232	− 2	235	+ 1
1920	227	− 9	228	− 8	225	−11	237	+ 1	235	− 1
	233	− 2	233	− 2	226	− 9	238	+ 3	239	+ 4
	236	+ 3	236	+ 3	232	− 1	236	+ 3	237	+ 4
	238	+ 3	237	+ 2	235	0	235	0	234	− 1
	241	− 5	239	− 7	237	− 9	243	− 3	237	− 9
	254	− 1	250	− 5	240	−15	251	− 4	254	− 1
	263	+ 5	260	+ 2	254	− 4	260½	+ 2½	260	+ 2
	273	+11	270	+ 8	263	+ 1	259	− 3	263½	+ 1½
	274	+ 7	272	+ 5	273	+ 6	264½	− 2½	263	− 4
	279	+ 9	277	+ 7	275	+ 5	267	− 3	269½	− ½
	279	−12	278	−13	280	−11	268	−23	270	−21
	275	− 7	275	− 7	280	− 2	287	+ 5	289	+ 7
1921	268	−10	274	− 4	276	− 2	280	+ 2	278	0
	265	+ 2	269	+ 6	269	+ 6	274	+11	276	+13
	257	+ 8	262	+13	265	+16	249	0	259	+10
	233	− 5	239	+ 1	257	+19	248	+10	235	− 3
	232	0	235	+ 3	232	0	232	0	237	+ 5
	221	+ 3	224	+ 6	231	+13	231	+13	226	+ 8
	220	0	221	+ 1	219	− 1	215½	− 4½	217	− 3
	215	−11	215	−11	218	− 8	215	−11	217½	− 8½
	206	−19	208	−17	213	−12	224½	− ½	221	− 4
	204	− 6	207	− 3	204	− 6	224½	+14½	223½	+13½
	203	+ 3	206	+ 6	201	+ 1	210½	+10½	209½	+ 9½
	204	+ 9	204	+ 9	201	+ 6	194	− 1	200½	+ 5½
1922	193	+ 8	193	+ 8	201	+16	187	+ 2	189	+ 4
	179	0	180	+ 1	190	+11	185	+ 6	177	− 2
	179	+ 2	178	+ 1	175½	− 1½	176	− 1	179	+ 2
	174	+ 1	172	− 1	175½	+ 2½	178	+ 5	174	+ 1
	175	+ 3	173	+ 1	170	− 2	174½	+ 2½	174	+ 2
	(178)		(174)		(171½)		(175)		(173½)	
	(183)		(178)		(174)		(173½)		(173)	
	(189)		(183)		(179½)		(178½)		(183½)	
Mean difference	6·2		6·1		7·5		4·9		5·2	

The formulæ are based on 37 months' records. Numbers in brackets are forecasts given by the formulæ.

Comparisons are made with the second column of Table I.

TABLE III.

REVISED RETAIL FOOD INDEX NUMBERS

(*Four commodities excluded.*)

	Revised Retail Index	Regression Equations. P-$_3$. Formula (*j*)	P-$_3$. Differences	P-$_3$ & *p*-$_2$. Formula (*k*)	P-$_3$ & *p*-$_2$. Differences	P-$_3$ & *p*-$_3$. Formula (*l*)	P-$_3$ & *p*-$_3$. Differences	P-$_4$. Formula (*m*)	P-$_4$. Differences	Difference Method. 2 months. Formula (*n*)	Difference Method. 2 months. Differences
1919	204	217	+13	212	+ 8	213	+ 9	215	+11	205	+ 1
	201	209	+ 8	212	+11	212	+11	213	+12	199	− 2
	201	209	+ 8	206	+ 5	205	+ 4	214	+13	201	0
	208	211	+ 3	205	− 3	205	− 3	206	− 2	202	− 6
	205	213	+ 8	206	+ 1	205½	+ ½	206	+ 1	209	+ 4
	205	214½	+ 9½	210	+ 5	207	+ 2	208	+ 3	206	+ 1
	212	221	+ 9	210	− 2	210	− 2	210	− 2	210	− 2
	215	223	+ 8	215	0	215	0	211	− 4	213	− 2
1920	217	228	+11	218	+ 1	216	− 1	219	+ 2	219	+ 2
	217	231½	+14½	223	+ 6	222½	+ 5½	220	+ 3	219	+ 2
	222½	233	+10½	227	+ 4½	226	+ 3½	226	+ 3½	218	− 4½
	229	236	+ 7	228	− 1	227	− 2	229½	+ ½	224½	− 4½
	245	249	+ 4	232	−13	230	−15	231	−14	238	− 7
	258	258	0	244	−14	242	−16	234	−24	251	− 7
	262	268	+ 6	255	− 7	251	−11	248½	−13½	264½	+ 2½
	263	270	+ 7	266	+ 3	263	0	258	− 5	263	0
	265	274	+ 9	269	+ 4	268	+ 3	268	+ 3	266	+ 1
	265	274	+ 9	273	+ 8	273	+ 8	270	+ 5	265	0
	286	270	−16	273	−13	273	−13	275	−11	262½	−23½
	272	263	− 9	270	− 2	271	− 1	275	+ 3	281	+ 9
1921	268	259	− 9	271	+ 3	265	− 3	271	+ 3	269½	+ 1½
	259	252½	− 6½	264	+ 5	268	+ 9	263½	+ 4½	263	+ 4
	245	228	−17	257	+12	258½	+13½	260½	+15½	242½	− 2½
	240	227	−13	236	− 4	238	− 2	252	+12	244	+ 4
	235	216	−19	231	− 4	234½	− ½	226	− 9	232½	− 2½
	224	215	− 9	221	− 3	222	− 2	225	+ 1	234	+10
	224	211	−13	219	− 5	220	− 4	213	−11	221	− 3
	227	202	−25	212	−15	215	−12	212	−15	218	− 9
	224	199	−25	205	−19	204½	−19½	207	−17	225	+ 1
	206	199	− 7	204	− 2	202½	− 3½	197½	− 8½	223½	+17½
	188½	199	+10½	203	+14½	203	+14½	195	+ 6½	206½	+18
	181	188	+ 7	198	+17	203	+22	194	+13	181	0
1922	171	174½	+ 3½	185	+14	189	+18	195	+24	171½	+ ½
	167	174½	+ 7½	172	+ 5	173	+ 6	183½	+16½	171	+ 4
	169	169	0	169	0	171	+ 2	168½	− ½	163½	− 5½
	173	171	− 2	164	− 9	164	− 9	168½	− 4½	170	− 3
	177	173	− 4	165½	−11½	164	−13	163	−14	175	− 2
	176	(178)		(169)		(166½)		(164½)		(181)	
	186	(184)		(174)		(171)		(167)		(180½)	
	178	(181½)		(180)		(177)		(173)		(184)	
Mean differences		8·6		6·9		7·2		8·1		4·3	

The formulæ are based on 37 months' records. Numbers in brackets are forecasts given by the formulæ. For the first column: July, 1914=100.

TABLE IV.

Statist General Wholesale and Cost of Living Index-Number.

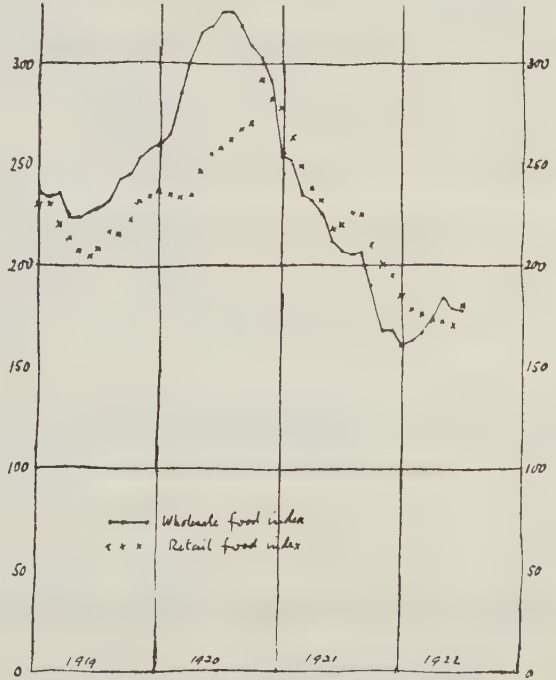
	Wholesale	Cost of living.	Regression Equations. P-3. Formula (o)	P-3. Differences	P-4. Formula (p)	P-4. Differences	P-4. Formula (q)	P-4. Differences
1919	239	220						
	234	220						
	229	215						
	225	210						
	225	205	219	+14	220½	+15½	217½	+12½
	237	205	217	+12	218	+13	215	+10
	243	207½	215	+ 7½	215½	+ 8	213	+ 5½
	252	215	215	0	213½	− 1½	211	− 4
	259½	215	221	+ 6	213½	− 1½	211	− 4
	262	220	223½	+ 3½	219½	− ½	216½	− 3½
	273½	225	226	+ 1	222½	− 2½	219	− 6
	282	225	231	+ 6	227	+ 2	223½	− 1½
1920	287	225	232	+ 7	231	+ 6	227	+ 2
	299	230	238	+ 8	232	+ 2	228½	− 1½
	318	230	242	+12	238	+ 8	234	+ 4
	319	232	244	+12	242	+10	238	+ 6
	324½	241	250	+ 9	244½	+ 3½	239	− 2
	317	250	258½	+ 8½	250½	+ ½	246	− 4
	312	252	259	+ 7	260	+ 8	255	+ 3
	310½	255	261	+ 6	260½	+ 5½	255½	+ ½
	309	261	258	− 3	262	+ 1	258	− 3
	304	264	256	− 8	259½	− 4½	254½	(− 9½)
	293	276	255	−21	257	−19	252	(−24)
	273	269	254	−15	256	−13	251½	(−17½)
1921	253	265	252	−13	255½	− 9½	251	(−14)
	240½	251	247	− 4	253	+ 2	248½	− 2½
	223	241	237½	− 3½	247½	+ 6½	243	+ 2
	216	233	228	− 5	237½	+ 4½	234	+ 1
	207	228	222	− 6	227½	− ½	224	− 4
	198	219	214	− 5	221	+ 2	218	− 1
	190	219	211	− 8	212½	− 6½	210	− 9
	193	222	207	−15	209	−13	206½	(−15½)
	188	220	202½	−17½	204½	−15½	202	(−18)
	182	210	199	−11	200	−10	198	(−12)
	169	203	200	− 3	196	− 7	194	(− 9)
	167	199	198	− 1	197½	− 1½	195½	− 3½
1922	164	192	195	+ 3	195	+ 3	193	+ 1
	161	188	189	+ 1	192	+ 4	190½	+ 2½
	161	186	188	+ 2	185½	− ½	184	− 2
	162	182	187	+ 5	184½	+ 2½	183	+ 1
	164½	181	185	+ 4	183	+ 2	182	+ 1
	165	180	(185)		(182)		(180)	
	165½	184	(185½)		(182)		(180)	
	162	181	(187)		(182½)		(181)	
Mean differences ...			7·4		5·9		3·6 (29 mths.) 6·0 (37 mths.)	

The formulæ (*o*) and (*p*) are based on 37 months' record ; (*q*) on 29 months', those entered in brackets in the final column being excluded. The entries in brackets in last 3 months are forecasts based on the formulæ. For wholesale prices the average of the 4 months, April to July, 1914, is taken as 100, and the first entry in the Table is for December 31st, 1918. For the Cost of Living, July, 1914, is taken as 100, and the first entry is for January 1st, 1919.

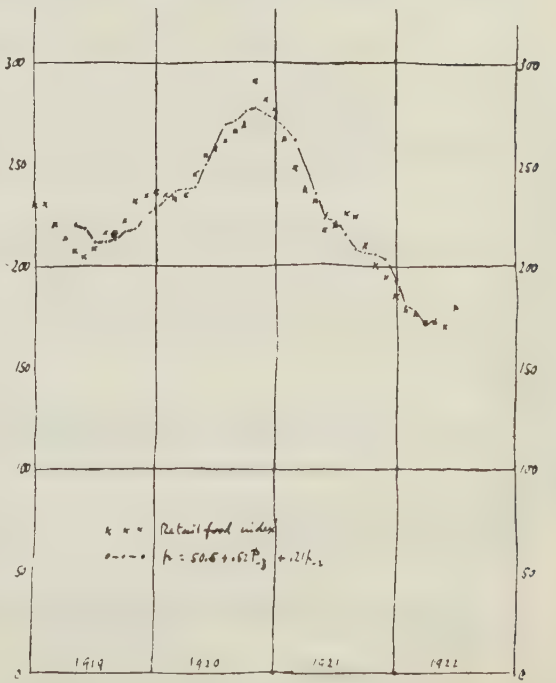
DIAGRAM I.

Wholesale and Retail Food Prices.

Statist and Ministry of Labour's Index-numbers.



Retail—Actual and Formula (f) based on wholesale index 3 months in advance.

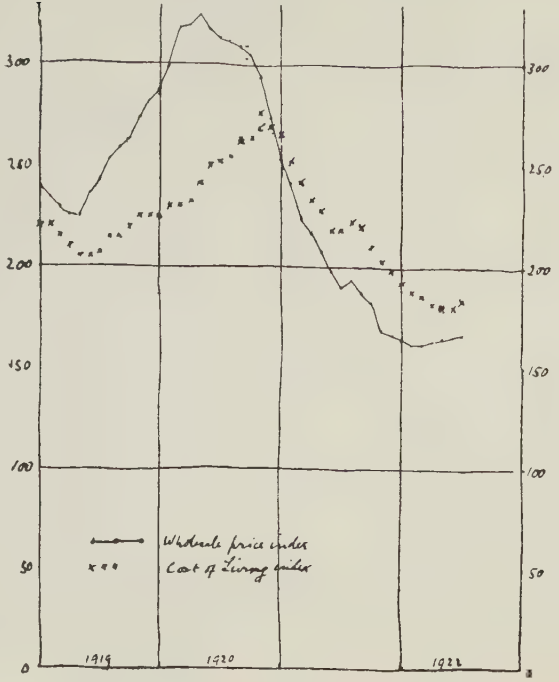


Retail:- July 1914=100 Wholesale:- Average of 1913 = 100

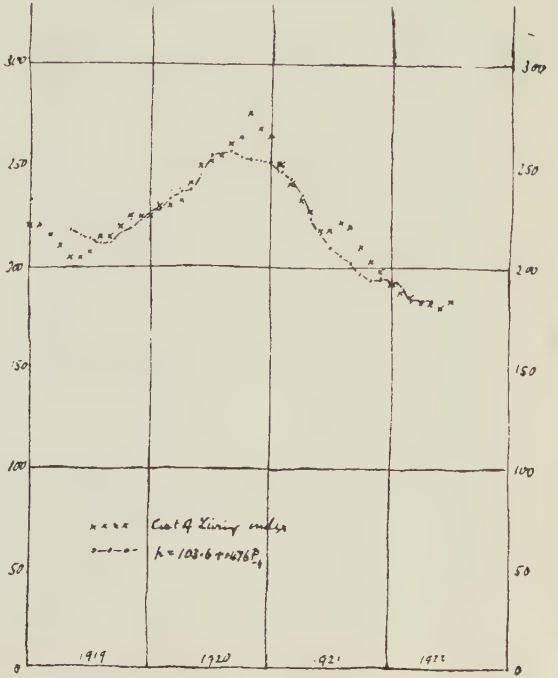
DIAGRAM II.

WHOLESALE PRICES AND COST OF LIVING.

Statist General Index and Cost of Living Index.



Cost of Living—Actual and formula based on wholesale index 4 months in advance.



Cost of Living:- July 1914=100. Wholesale:- Average April to July 1914 =100

Ethnology and the Study of Society

By Bronislaw Malinowski.

Lecturer, Department of Ethnology, School of Economics.

Every branch of knowledge can be made useful ; first, in its direct application to the practical management of the subject ; secondly, in opening a wider outlook upon its subject matter, in allowing us to build up a more adequate theory of the phenomena in question. The study of savage and coloured races possesses practical value, in the first sense, for purposes of colonial administration and the management of the relations between white and coloured people. In the second sense, ethnology may be a most powerful means of widening our outlook on human nature, of allowing us to build up a correct theory of society for the future scientific guidance of human affairs. This latter claim sounds yet, in our present state of things, like a mixture of wild utopia and an anæmic truism, but I think even the most pessimistic will have to admit that to cultivate and spread *true* and *correct* views of human nature and human society, cannot be without its good effects.

Let us say a few words first about the direct application of ethnology to colonial legislation and policy. We must remember that slavery, " dispersing of natives," indiscriminate " punitive expeditions," and the grossest forms of reckless injustice to natives, are things of the very recent past. One has to remember only the opium war on China, the Australian " blackbirding " in the South Seas, the even more recent " transplanting " of the Hereros in German South-West Africa and the Belgian and French atrocities in Africa scarcely a generation ago. With such an attitude prevalent, it was not to be hoped that a *scientific* management of natives or native affairs could become the guiding force in colonial policy. Of course, there existed always exceptionally able and far-sighted administrators who understood that in order to govern, one must know the human material. We owe, indeed, some of our best ethnographic information to men like Sir Everard im Thurn, Sir Richard Temple, Captain Francis Barton and other colonial officials. Also, many missionaries understood well that in order to spread a new creed, it is necessary to study thoroughly the existing religion and morality, which have to be supplanted and ultimately destroyed. But neither the religious nor the civil transformers of savage societies, as a body, took any trouble about a systematic, purposeful study of the material on which they were going to work and about the application of this study to practice. And even now, with the possible exception of Holland, none of the colonial powers in existence to-day seems to be willing to spend much money or effort on summoning the help of science to their difficult task of managing the subject native races.

And yet there are problems of high importance, where no haphazard methods, no rule-of-thumb acquired in a few years' colonial experience can be of any use. The most sinister of these problems is that of the gradual dying out of the majority of native races. The survival of natives—apart from humanitarian, æsthetic or moral considerations—is a matter of vital importance for practical purposes. Are the South Sea colonies to be repeopled by imported yellow or Hindu labour or are they going to be left to waste, since white labour seems absolutely inadequate? The first course creates a serious political danger, the second means ruin. Millions of money —if we overlook the millions of human lives—are at stake and yet no serious effort has been made by the administrators to assess the danger and try to find out a cure for it.

For a field ethnologist, however, there is an overwhelming mass of evidence to prove that remedies for this dreadful danger are within reach. Broadly speaking, the evil is mainly caused by the destruction of all vital interest for the native, by taking away from him of all that was dear and valuable to him, of all that gave him the joy of living. Whole departments of tribal law and morality, of custom and usage, have been senselessly wiped out by a superficial, haphazard legislation, made in the early days often by newcomers unused to native ways and unprepared to face the difficult problem. They applied to the regulation of native life all the prejudices of the uneducated man to anything strange, foreign, unconventional and to him incomprehensible. All that would appear to a convention-bound, parochial, middle-class mind as "disgusting," "silly," "immoral," was simply destroyed with a stroke of the pen, and, worse, with rifles and bayonets. And yet to a deeper knowledge, based on real human sympathy and on conscientious scientific research, many of these "savage" customs are revealed as containing the very essence of the tribal life of a people as something indispensable to their existence as a race.

Imagine a board of well-meaning, perhaps, but rigid and conceited Continental bureaucrats, sitting in judgment over British civilization. They would see thousands of youths and men "wasting their time" over "silly" games, like golf, cricket or football, in "immoral" betting, in "disgusting" boxing or fox-hunting. "These forms of sport are *streng verboten*," would be their verdict! For it is a fact that we Eastern or Central Europeans—I, a member of the Polish Intelligencia as well as the average cultured German—feel exactly as I have just written about certain forms of English sport and especially about the great importance and the great amount of time given to it in this country. Yet, anyone looking from an ethnological point of view on this problem would soon see that to wipe out sport, or even to undermine its influence, would be a crime, as it would be an attempt to destroy one of the main features of national life and national enjoyment.

The savage, like anyone else, must have his pastimes and amuse-

ments, his sports and pleasures, which give zest and meaning to his life. Some of them are really fine, æsthetic and significant, beneficent, hygienically and psychologically, and devoid of any harm whatever, even from the point of view of European morality. I have watched and taken part, time after time, in Melanesian surf bathing, in yachting on the Lagoon, in open air play, as well as in some of their big tribal festivities, with floral distributions, customary games and exchange of gifts. For weeks and months have I watched native dances, performed in a manner monotonous to us, though beautiful and extremely important to them, and at the same time, of an absolutely Puritanical chastity.

Yet the ignorant and pedantic morality-monger, whether clerical or official, cannot help scenting some sexual mischief, wherever he finds amusement and pleasure. In my experience of almost all tribes, I have found some sort of disapprobation, or actual interference, on the part of missionary or Government authorities with the amusements, and especially with the dancing, of the natives. In the Trobriand Islands in the N.E. of New Guinea, no elements of sex enter at all into their dancing which, in part, consists of conventionalized imitation of animals, but mainly is a performance where athletic, rhythmic and musical skill is exhibited. Strong passions of vanity, ambition and rivalry are displayed, but sexual *libido* is entirely absent. None the less, some missionaries try to eradicate this "evil," though an exceptionally enlightened one—Mr. Gilmour, a Methodist—did all he could to prevent this meddling. On the south coast of New Guinea, in and around Port Moresby, the use of drums has been prohibited for years, half of the public life of the natives being thus completely paralysed. This happened because the Administrator of the colony, entirely ignorant of, and out of touch with, native affairs, but very much under missionary influence, had been persuaded that drums serve immorality![1] In the district of Dobu, in the d'Entrecasteaux Islands, the native flute has been tabooed by a missionary, who was at the same time Government agent, because it had been suspected that love messages were sent by means of certain melodious strains, and there was no guarantee that they could not be used in an ungodly manner—nay, for adulterous purposes!

The tragic humour of all these cases—because for the natives it is a tragedy to be deprived of half their pleasures—consists in the fact that in one and all of them the scented "evil" did not exist, as I can vouch on the basis of careful ethnographical inquiries. Thus, through mere ignorance, mental laziness and that hypocrisy which shrinks from even touching pitch, a good deal of real mischief has been and is being done, by wanton destruction of certain customs,

[1] This prohibition was withdrawn after a few years by Captain F. Barton, the new Administrator. It may be said at once that Captain Barton, a friend and collaborator of Professor Seligman, must be counted as a genuine ethnologist.

which, by all standards, even by the most rigid ones of the very destroyers, are perfectly innocent, and which possess at the same time a high biological value to the natives.

I have given these examples to show that, even without deepening their essential outlook on the world, and merely by increasing their knowledge of the natives, and their capacity for ethnographic inquiry, the modern petty inquisitors of primitive life could be saved from committing some of their worst crimes. But it would be much better if ethnographical knowledge could altogether change the average white man's whole outlook on savage morality. For there is no doubt that, taking native life as a whole, the element of sex plays a great part, and that it appears in certain forms which at first sight shock the white man's sense of morality. Although we find, even among the lowest savages, some tribes where strict chastity of girls, fidelity of married women and a monogamous marriage are laid down and enforced by usage and custom, yet in the majority of cases, general laxity, licentious, sometimes grotesque, customs and institutions, and a much greater overt cultivation of crude sexuality obtain. And this seems to show that there must be some biological reasons why primitive mankind lives and thrives under such conditions. To attempt a radical, complete change of all this by a few talks with the natives would seem to anyone with an even mediocre biological and sociological training, absurd from the outset. One might agree with the missionary principle that a change is here necessary, if the natives have to come into contact with large numbers of white men and women. In this case one might agree, thus far at least, that certain of the worst crudities and public obscenities should be eradicated, since they would be intolerable to the white onlookers. Again, that gradually the general licence should be limited, even if it were only to protect the natives from the spread of venereal disease, which the European brings, side by side with his " higher morality." But such gradual and selective change must be done carefully, with a deep knowledge of human nature, as well as of the local customs, that is, under expert guidance from ethnology.

A rapid and indiscriminate suppression of all sexual licence, in the first place never succeeds completely, and in so far as it succeeds partially, produces results which one must assume are not those desired by the reformers. In the Trobriand Islands, where sexual laxity is very great, unnatural vice, perversion or homosexuality and bestiality have been completely unknown. The only cases now on record are three or four of natives who have come under the influence of the white man's morals. These exceptions, which have, of course, been cast forth from the fold as black sheep, and sent back to their villages, are looked down upon with an amused contempt and disgust by the uncontaminated savage. The psychological and physiological mechanism of these cases is obvious. If you take a number of people from a community where an almost daily satisfaction of the sexual instinct is considered an absolutely legitimate and

necessary right of a man and woman, and if you then divide the sexes and coop each up into separate compounds, their powerful passions and instincts will turn into wrong channels. This example, as all others which have come under my notice through field work or reading, shows unmistakably how dangerous it is to tamper ignorantly with that most powerful human instinct, sex, and with the various regulations and liberties which a natural biological and social development has built up round it. Another aspect of native life, against which the destructive reform of administrator and missionary alike has to turn at the very outset, is warfare and all forms of fighting and raiding between the tribes. Especially cannibalism, so repugnant to our gastronomical and moral principles, arouses the European's ire and zeal for annihilation. It is quite comprehensible, of course, that the pioneer preacher or magistrate is keen on putting an end to cannibalism before it puts an end to him. Since "*l'appétit vient en mangeant*," it is better to prohibit consumption of black flesh, or some day a gourmet may feel a craving for a white dish. And, seriously speaking, even the most antiquarian of all ethnologists would not plead for the preservation and fostering by white authorities of cannibalism among the savages.

For similar reasons, it is an invariable rule to stop all hostilities among the natives, and to prohibit the use, and even the possession, of arms. For, with savages bearing arms, there is no knowing when they would turn them against Europeans. For reasons of self-preservation, therefore, the European finds himself compelled to disarm the native, and paralyse the free use of some of their most important activities.

But though one can admit fully the cogency of the white man's case, some ethnological insight shows that it is by no means simple. First of all, it would be good to make it quite clear to ourselves that it is sheer hypocrisy and humbug to pretend that the prohibition of fighting is done for the good of the natives. I may add at once that I am a convinced pacifist, that I believe that modern warfare cannot in any way be shown to be beneficent, that, indeed, ever since the invention of firearms, war has lost all its redeeming features and has remained an unmitigated evil.

But savage warfare is something quite different, the toll in human life and suffering which it takes is as a rule relatively small. On the other hand, it provides a wide field for physical exercise, the development of personal courage, cunning and initiative, and the sort of dramatic and romantic interest, the wide vision of possibilities and ideals, which probably nothing else can replace. I am speaking here, of course, of savages, and all these expressions must be translated into savage values. Also, there is no doubt that in some cases, especially when any more powerful people wages war on its weak and inferior neighbours, as frequently happens, especially in Africa, then war becomes almost as bad as it is between European nations. But

in no case is the mental anguish and suffering of a native comparable to that of a civilized man.

In many cases, again, savage warfare is nothing worse than a dangerous sport. In the Trobriand Islands, British New Guinea, in a big war, where a couple of thousand warriors took part, the total casualties might amount to half-a-dozen killed and a dozen wounded —nothing compared to a baseball match! And such a war afforded excellent amusement, exercise and development of personal qualities to large numbers of men for several weeks. Warfare on the south coast of New Guinea, with the wonderful treetop fortresses, with long marches in the jungle, moves and countermoves in difficult country, was perhaps a trifle more severe but not much, and even more romantic. Round the east end of New Guinea, where cannibalism and head-hunting flourish, the natives had the unpleasant habit of making nocturnal raids, and of killing without any necessity, and in an unsportsmanlike manner, women and children as well as combatants. But when investigated more closely and concretely, such raids appear rather as daring and dangerous enterprises, crowned, as a rule, with but small success—half-a-dozen victims or so—rather than as a wholesale slaughter, which indeed they never were. For the weaker communities used to live in inaccessible fastnesses, perched high up above precipitous slopes, and they used to keep good watch over the coast. Now, when European rule has established peace and security, these communities have come down to the sea-coast and to swampy and unhealthy districts, and their numbers have rapidly diminished.

Thus, the establishment of peace and safety is by no means an unmixed blessing, and it is always deeply resented by the natives themselves. And even here where the case for the eradicating and paralysing reformer is the strongest, we can legitimately ask the question, whether the reforms could not have been done with less wholesale destruction. Perhaps while forbidding the more bloody and pernicious types of fighting, some sort of milder forms might have been left so as not to unman the natives completely. Perhaps some sportive imitations of warfare might have been permitted without bloodshed, yet allowing the savages to settle their quarrels and satisfy their ambitions in this manner. These suggestions are not entirely fantastic, because in some cases the natives have themselves tried to provide such substitute activities. In this manner, there would remain the healthy exercise, the means of developing personality, of maintaining tribal rivalry and individual ambition, while all real and imaginary dangers would be entirely obliterated.

But the policy, both of administrator and missionary, has been quite the reverse. To take examples again from my personal field of observation in Eastern New Guinea, all war canoes were destroyed; club-houses and communal sitting places associated with head-hunting and cannibalism, but fulfilling many other functions besides,

were made to disappear; social organizations referring primarily to warfare were abolished.

I could still multiply examples from other aspects of native life, besides the two most "shocking" ones, sex and warfare. Thus all savage belief, myth and ritual is evil growth in the eyes of the missionary, to be weeded out and burnt. That, of course, is his business. It is all very well to call everything which a native believes "superstition," and to try to import "true faith" instead. But the fact is that a savage community has obtained its religion as the product through centuries of natural development, and that it suits savage mentality and their social organization perfectly well, whereas European religion cannot be grafted on to an entirely different social, mental and moral soil, and requires an absolute upheaval of all the natives' own civilization before it can be introduced at all.

A series of customs again arouses the indignation of the benevolent hygienist, who pounces especially on burial arrangements, and on some of the practices of mourning. In some tribes, where the burial of the dead in the village is considered the first duty of filial piety, the European has compelled the bereaved family to bury their dead in the bush, upsetting thus the whole aspect of religious ritual and of social organization. Here once more we can question whether the negative good of preventing just here and there an isolated, unhygienic mode of behaviour is not outweighed by the positive evil of destroying much that is the mainstay of tribal life.

Everywhere the same fanatical zeal to prune, uproot, make an *auto-da-fé* of all that shocks our own moral, hygienic or parochial susceptibilities, the same ignorant and stupid lack of comprehension of the fact that every item of culture, every custom and belief, represents a value, fulfils a social function, has a positive, biological significance. For tradition is a fabric in which all the strands are so closely woven that the destruction of one unmakes the whole. And tradition is, biologically speaking, a form of collective adaptation of a community to its surroundings. Destroy tradition, and you will deprive the collective organism of its protective shell, and give it over to the slow but inevitable process of dying out.

To draw a moral, I am going to put the case briefly: there is much in native life that has to succumb to the contact with European influence. There is a good deal which is already undermined by missionary teaching and by indispensable claims of European interests and European prejudices. When, therefore, the legislator and admistrator, in a burst of uncalled-for reformatory zeal, further prune and uproot much of the native's tree of life—is there no urgent need to stop and think? To invoke the advice of dispassionate study and scientific expert opinion?

I have only touched on the one, though the most essential point, where scientific study ought to be taken into the councils of colonial administration and legislation, that, namely, of preserving the integ-

rity of tribal life as far as possible, so as to prevent complete extinction. It would be easy to adduce many other very telling instances, if opportunity were offered to go into the matter more deeply and with more detail.

I want, however, to say a few words about the second great chance for ethnology to become really useful in human affairs, that is by serving as one of the most important foundations for a general science of Man in his mental and social nature. Whether we call such a science Sociology or Social Psychology, or Philosophy of History or Politics, is of no great importance as long as we agree that it must be based on a purely empirical basis and that it must aim at real utility in the conduct of affairs.

Although the present political atmosphere seems hardly conducive to optimism, there is no doubt that a better knowledge of the social mechanism would lead to a better appreciation of their *real* interests by the various conflicting groups and classes. In the present endless strife of group egoisms—national interests, class interests, racial interests—the introduction of the scientific spirit of dispassionate research would necessarily lead to a broader and more conciliatory attitude. A sober and heart-searching inquiry as to " What are we fighting for? What can we hope for from the defeat of our antagonists?" —might lead us to understand that co-operation and constructive work are more beneficial to both parties than hatred and opposition. Perhaps, even, not only to understand this truism, but even to act on it! Such an attitude in itself, apart from the more concrete and detailed counsels afforded from social study, would be a powerful gain to true progress and would, therefore, be an achievement of real practical value. A systematic exposition of this attitude—based on all available material scientifically formulated—will be the Sociology of the Future—The New Humanism—and, indeed, much of the Sociology of to-day has already fully justified the hopes and anticipations in this direction.[1]

Now if this New Humanism is to have sufficient force to shape human ideals and even to influence policies, it must be based on a *really scientific* knowledge of human nature. This knowledge must, therefore, be empirical. But how and whence is the sociologist to draw empirical material? Where can he obtain observations of changes occurring through variation in conditions? The ready answer to this is: there is history which teaches us the fate of humanity throughout the moving ages and changing conditions. Here, however, it is necessary to consider a point of extreme importance, though of almost philosophic subtlety. The only knowledge of

[1] To mention only efforts on British soil, there are the excellent works of Professor Hobhouse, Mr. and Mrs. Sidney Webb, Dr. Westermarck, Professor Graham Wallas, Sir William Beveridge, and others; in fact, all the theoretical work carried on in Sociology, Economics and Politics at the London School of Economics. Also we might class here the many valuable attempts at Social Reform based on scientific research.

past history we possess, we owe to the testimony of chroniclers and historians of past ages, whose views on social matters and human nature widely differ from our own. They were entirely unfit to act as our vicarious observers, except in certain aspects of history, aspects which the most modern historian tends to consider as rather superficial. Aristotle was a great genius and had an encyclopædic knowledge of contemporaneous science. Yet the modern physicist would not rest content in founding his theory of electricity on Aristotle's observations! Great men though they often were, the chroniclers of the past can give us poor stuff only as foundation for the less obvious problems of sociology.

Social theory, as well as natural science, constantly opens up new vistas, discloses new ranges of facts, and on these the documents of past ages, as a rule, say nothing or very little and that indirectly. To the chronicler—who as often as not was a courtier—the court gossip, the often inglorious exploits of the monarch, of his ministers and mistresses, were more important than an obscure economic change slowly working its way among the peasants or artisans. Only after a social phenomenon flared up in the form of a civil war, revolt or other dramatic and sensational event, would the average chronicler take stock of it. To the exponents of the modern tendency in history—popularly and brilliantly set forth in Mr. H. G. Wells' recent work on history—it is just the fundamental forces of human society, the forms of social constitution, the types of economic organization, the great moral, religious and philosophic tendencies of an age that matter above all. The great men and the great masses alike make history, in mutual interplay or co-operation. To speak of leaders and forget the led is an error of method.

This new tendency in history meets insurmountable obstacles in the inadequacy of the historical chronicles. There are, of course, the indirect sources, deeds, legal documents, account books and such like, but how meagre and oblique is their testimony! How often a historian must dream of being transported into the period of his researches, of becoming his own source and vindicating his conclusions by direct observation!

But what never can be vouchsafed to a historian, is given in a full measure to the field ethnologist. What *time* has hidden from us for ever, *space* keeps preserved for a while, and under the modern conditions of travel reveals easily to an ethnographic explorer. In the various parts of our globe, there exist phases of civilization as far removed from ours as the Middle Ages or Classical Antiquity, as the Homeric Epoch or the Neolithic times. To the old-fashioned historian who hunts after kings, great men, heroes and sensational events only, the study of the various non-European cultures will not reveal much of interest. To the modern sociologist-historian, the records of a scientific field ethnologist will be very stimulating.

The field ethnologist, who studies the various types of civilization under varied conditions, is the only sociologist who can, on a large

scale, do anything comparable to an experiment in social matters. He can observe the differences in human mental constitution and human social behaviour under the various forms of physical and mental environment, as divergent as physical and mental nature will allow.

The opening up of a new vista of forgotten civilization gave the first great impulse to Humanism: that of the Renaissance. In the eighteenth century the work of Lessing and Winckelmann threw a new light on the classical cultures, and especially on the relative value of the Greek and Latin contributions, and there came again a new revival of humanistic studies. Humanism was broadened again in its scope and subject matter by the inclusion of Sanskrit linguistics and literature and the comparative study of Indo-European cultures and languages. The most important final step was taken when modern anthropology became a science in the achievements of Tylor, Robertson Smith, the *Völkerpsychologen*, Bastian, Morgan and Lubbock, and in its most modern development with the great works of Sir James Frazer. This new development, the placing of sociological and historical theory on the broadest basis of comprehensive comparison of all civilization, including those of the savage races, may be called without too much pretension the New Humanism.

This New Humanism has, however, its obligations and duties, as well as its claims and privileges. So far, ethnological research, whether at home or in the field, has shown too much of a tendency towards the sensational and singular, towards isolating customs and beliefs of an outstanding, striking character and towards treating them as a collector treats savage " curios." There was a tendency with the travellers among native races to skim the surface of tribal life in search of queer and quaint peculiarities. Barbarous mutilations of body, as well as distorted, incongruous beliefs, have been recorded very much as scandals or monstrosities are reported in the yellow press to satisfy our craving for the sensational and strange. We have excellent accounts of the dreadful rites of subincision in Australia and infibulation in the Sudan, of " survivals of primitive promiscuity " in Fiji and " group marriage " among the Dieri. Not that all these subjects are not of the greatest importance : but they are not the only facts worth study. These sensational plums stick in a very ordinary cake of the drab, commonplace tribal life, in which the native does and lives through many phases very much resembling our own conditions. And it is the *need of studying all the phases of native life* that I am urging here, attractive and ugly, sensational and commonplace alike.

This, of course, is not an entirely new outlook, because it is to be found in the works of Sir James Frazer, Prof. Hobhouse, Dr. Marett, Prof. Westermarck, and all those who attempt to reach the deeper layers of magic, religion, social organization and primitive social order. All these problems cannot be solved, except by a deeper analysis of big complexes of cultural phenomena, of whole aspects of

human civilization. Again, in ethnographic field work the research done by trained men of science—inaugurated by the memorable Cambridge Expedition to the South Seas, by Haddon, Ray, Rivers, Seligman and others—has, or ought to have, put once for all an end to mere curio-hunting in ethnology.[1]

But although the tendency to shift the main weight of scientific attention from isolated details and striking curiosities to comprehensive groups of fundamental ideas is fully acknowledged by the best modern writers—by the late Dr. W. H. R. Rivers, of Cambridge, more consistently and explicitly than by anyone else—this tendency must be followed up further yet. Thus, for instance, there are still whole aspects of tribal life to which hardly any deeper attention has been paid. Even in our best monographs on native races, the *economic* aspect is almost without exception completely neglected. This is, no doubt, due on the one hand to the preconceived idea, which we all tend to have, of the extreme simplicity of primitive economics ; on the other hand, it is just this aspect which presents to the observer the least sensational, the most obvious appearance, which promises no surprises or thrills of any sort. Yet this very aspect is of such great importance and of such an obvious one that a whole school of philosophers attribute to the economic organization the rôle of primary cause in all social change. This materialistic view of history, as it is called, is no doubt a metaphysical exaggeration of an important truth, but the neglect of the economic in ethnological field work is an interesting symptom of the need to reform its method still more thoroughly in the direction of a *comprehensive treatment of all aspects of tribal life and their correlation.*

This postulate, if carried through, will do away to a great extent with the sensational character of much of our ethnographic knowledge. A belief, which appears crude and senseless in isolation, a practice which seems queer and " immoral," becomes often clear and even clean if understood as a part of a system of thought and practice. From this point of view, it is all important for the field ethnologist to try and assimilate thoroughly the ideas and ways of one single tribe and spend a good deal of time over it, rather than skim through a considerable number of tribes, though this latter is from some points of view an indispensable supplement of the first type of work. To borrow the terminology of Dr. Rivers and his opinion : in the present state of ethnography *intensive* field work is even more urgently needed than *survey* work.

The future development of ethnology lies in its rôle of first handmaiden to a general theory of human society, a theory trying to

[1] Recently the generous endowment by Sir Peter Mackie, of the Mackie Expedition to Central Africa, organized and directed by Sir James Frazer and carried out by the Rev. J. Roscoe, and the financing by Mr. Robert Mond of the Mond Expedition to New Guinea, are hopeful symptoms that funds and initiative will be forthcoming to foster ethnological field work, carried out by competent observers with academic training.

achieve a deeper grasp of human nature and of human history. Such a theory would give us, within limits, the power to foresee the course of events, and in a dim future, when this power is universally recognized, it might improve and influence those in authority. It would also—and this is of no lesser value—be useful in creating a saner attitude, finer and wider ideals in the minds of men. For the destinies of mankind are shaped not only by the policy from above, but also by the slow, invisible changes which are always at work in all the individuals of a community.

From this point of view there can be no doubt about the *practical value* of a New Humanism, a broad philosophic view of the laws of human society and human nature, based on a strictly scientific study of the widest range of facts at our disposal. And it is not so far-fetched an idea as might at first seem, to appeal to the savages for some light to be shed on our own nature. For nothing stimulates research and understanding as much as contrast and comparison, reached through the widest possible empiric survey of facts. Just as the psychology of normal human beings has received much help and stimulus from the study of mental disorder, so the social science of modern man and of the historical periods can look for much inspiration and assistance from ethnological researches.

The Bryce Conference on the Reform of the House of Lords

By H. B. Lees-Smith,
Department of Political Science, London School of Economics.

The resolutions for the Reform of the House of Lords, which have been foreshadowed in the King's Speech for the last three years, were introduced into the House of Lords on July 18th of this year. A large number of the leading peers expressed their preference for the scheme worked out by the Bryce Conference. An account of this Conference may, therefore, be of use to those who intend to follow the future discussions upon the subject.

The "Conference on the Reform of the Second Chamber" was set up by the Prime Minister in 1917. It consisted of thirty members, drawn from both Houses of Parliament and from all parties, with Viscount Bryce as the Chairman. Its discussions cover a survey of practically every device proposed for the solution of the Second Chamber problem. The Conference published no evidence or detailed record of its proceedings. But I have had access to its minutes and memoranda which, without including anything of a confidential nature, afford the material for the following article.

The thirty members of the Conference included all opinions, from the leading champions of the House of Lords in the contest over the Parliament Act to advocates of the single-chamber system. The hope that this body would reach unanimous conclusions was soon seen to be unattainable. No report, therefore, was issued, but a letter was written by the Chairman, Lord Bryce, to the Prime Minister, indicating the course of the discussions and stating that, while conclusions had been reached on many points, they were those of a majority only. Individual members, therefore, were not bound to all recommendations, although prepared to acquiesce in the scheme as conveying what proved to represent the general view of the Conference as a whole.

Although the Conference itself was unable to follow a fully systematic order in its discussions, the development of opinion within it can be best followed by examining first the proposals for the constitution of the new Second Chamber and then those for the powers which this Chamber is to exercise.

At the beginning of the discussions, it was agreed that the existing House of Lords should select only a minority of the Second Chamber, and that, in order that the remainder of the Chamber should not contain any element of privilege, no property qualification should

be needed either for its members or its electors. The discussions as to how the bulk of the Chamber should be selected opened with suggestions including, as might be expected, all the main schemes that exist either in the Dominions or foreign countries. These suggestions fell into four main classes :

1. Direct election by large constituencies on the plan of the Australian Senate and that of the new Legislative Council of New Zealand.
2. Nomination—for a small proportion of the Chamber—in order to secure the presence of persons of eminence not actively concerned in party politics.
3. Election by Local Authorities grouped together in geographical areas, on some such plan as that suggested by the French Senate.
4. Election by the House of Commons.

The first of these plans—that for direct election—receded into the background at an early stage of the discussions. The first principle that was generally accepted by the Conference was that the Second Chamber should not possess co-equal powers with the House of Commons, and in particular should not exercise direct control over the Executive Government with the power of making and unmaking ministries. This principle ruled out a directly elected Second Chamber, which it was felt would tend to become a rival of the House of Commons and be able logically to claim co-ordinate authority. It was also urged that large constituencies would add to the expense and labour of elections. It therefore became clear, before half the sittings had been held, that a majority of the Conference was opposed to all proposals in this direction.

The second suggestion, that of nomination—for at any rate a small element of the Chamber—had at one time the support of a clear majority of the Conference, in the hope that distinguished persons not closely connected with politics could in this way be selected. But it was pointed out that literary and scientific distinction do not specially qualify their possessors for the exercise of political power, and that, as such nominations would be made on the advice of the Prime Minister, they would be mainly utilized to reward party services. This proposal, therefore, disappeared, and the Conference turned to the two remaining methods, both involving indirect election.

Suggestions for election by Local Authorities had been before the House of Lords for a generation.[1] The main scheme in which this proposal came before the Conference was that the election for each area should be in the hands of electoral colleges consisting of representatives from the Local Authorities of that area, on a plan some-

[1] See Lord Rosebery's proposals, House of Lords Debates, March 19th, 1888 ; and Lord Dunraven's House of Lords Reform Bill, introduced March 23rd, 1888.

what similar to that adopted for the French Senate. It was, however, objected that Local Authorities are not elected with the idea of fulfilling such a purpose, and that to obtrude it into their duties would be to intensify political partisanship on issues which ought to be decided on other grounds. Liberal and Labour members of the Conference pointed out that such a plan would be unfair to them as County Councils are well known to be conservative assemblies, even in areas where the parliamentary representation is in the hands of the other parties. Behind these contentions was the belief of many members of the Conference that a Second Chamber so elected would claim to be as representative as the House of Commons, and would attempt to rival its authority. The general result was that the majority of the Conference soon made their opposition to the proposal clear, even in the modified form of combination with election by the House of Commons. By a process of exhaustion, therefore, the Conference found itself left with the fourth plan, on which its main scheme was finally based.

The election of the Second Chamber by the members of the first is the chief contribution to the solution of the problem of the relations between the two Houses which political inventiveness has made during recent years. It was suggested by Lord Rosebery to the House of Lords in 1888 as a possible means of electing a small number of members.[1] Its merits are that it creates a Second Chamber which has no claim to become a rival to the first, and that it avoids the expense, labour and confusion of a second series of popular elections. On the other hand, an equally obvious result is that it is certain to be elected on party lines, to reflect the prevailing composition of parties in the Lower House, and to be largely used as a consolation for politicians who have grown tired or who have been defeated in the election for the more popular Chamber. This partisan character is an inevitable feature of every Second Chamber, however constituted, but it so impressed a number of members of the Conference that a great part of the time of the Conference was expended in attempts to discover some device by which it could be corrected.

The most obvious method was to put the election into the hands of some further body, which, while representing the general sense of the House of Commons, would be freer from party influences. The Speaker was first proposed for this purpose, and when this was seen to be impracticable, there was substituted a small Committee of Selection of about twenty members, half to be appointed by the House of Commons and half by the new Second Chamber. The objection to such a proposal—which secured its defeat by the Conference, is that a Second Chamber mainly chosen by only twenty persons, who would not themselves be directly representative of the electorate, would command so little public confidence that probably it could not be brought into existence, and certainly it could not be

[1] House of Lords Debates, March 19th, 1888.

given any effective authority. Nevertheless, a certain number of members of the Conference were so convinced of the vital necessity of this provision that they insisted that, in the letter embodying the conclusions of the Conference, their names and opinion should be placed on record.[1]

The Conference thus came finally to direct election by the House of Commons; but, in order to prevent the party with a majority from electing a Second Chamber made up of a solid block of its own supporters, it was agreed without dissent that the election should be by Proportional Representation. This, however, would have necessitated that each member of the House of Commons should have had as many votes as there were representatives to be elected, and that he should place in order of preference dozens or even hundreds of names—a task which would not only be impracticably cumbersome, but would enable a very small combination of voters to secure the quota needed to elect a member. To avoid this, the Conference decided, by a substantial majority, to divide Great Britain into thirteen areas, and to vest the election of the representatives for that area in the hands of the members of the House of Commons sitting for constituencies within the area. An additional consequence which follows from this scheme is that the power of the party Whips will be to some extent counteracted by the influences of territorial sentiment.

The character of the Second Chamber will be profoundly affected by the length of life for which its members are chosen. Opinions in the Conference ranged from those who wished it to be elected by each House of Commons for the lifetime of that House of Commons alone—the plan adopted in Norway, and, since the Conference met, in the new Parliament for Northern Ireland—to those who wished it to be elected for twelve years. The objection urged to the first proposal was that the Second Chamber would become no more than a duplicate of the House of Commons, while the opponents of the longer periods argued that it would produce a Chamber selected on issues which had long passed from the stage, and out of touch with living public opinion. The proposal for a life of twelve years finally carried the day; and this plan, if it is carried out, will establish the longest-lived Chamber in the British Commonwealth. It was also decided that, in accordance with the usual practice of other constitutions, there should not at any time be an election for all the seats in the Second Chamber simultaneously, but that one-third of its members should be re-elected every four years.

The question of the retention in the new Second Chamber of a representation from the existing peerage raised the widest divergence of opinion, one section objecting to any such element at all, the others insisting that the House of Lords would not assent to any

[1] They consisted of Lords Lansdowne, Loreburn, Balfour of Burleigh, Dunraven, Sydenham and Lord Hugh Cecil.

scheme which did not by this means provide for the maintenance of the historic continuity of the constitution. The final settlement, carried by a majority of the Conference, was that one-quarter of the Second Chamber, i.e., eighty-one members, should be chosen from the existing peerage in the first instance, and that this number should by a gradual process be reduced to thirty.

The problem next arose of how this section of the Second Chamber should be elected. Proposals were made that it should be chosen on the same plan as the rest of the Second Chamber, that is, by members of the House of Commons. It was, however, finally decided to vest the election in a joint Committee of ten members, five to represent the new Second Chamber, chosen by the Committee of Selection of that Chamber, and five to represent the House of Commons, chosen by the Speaker. It must be noticed that, as the number of peers is reduced from eighty-one to thirty, the places thus left vacant are still to be filled by the Committee of ten, but that their choice is not restricted to the peerage. The final result, therefore, is that one-quarter of the new Second Chamber is to be selected by ten persons who are themselves the product of a process of tertiary election.

DEFINITION OF A MONEY BILL

The Conference accepted the principle that the new Second Chamber, like the present House of Lords, should have no power over Money Bills. But at this point there arises the question of "tacking" which, while appearing at first sight to be mainly a technical one, profoundly affects the future of sound legislation. What is a Money Bill? May a Labour Government carry through a socialistic programme in a series of Money Bills and so defeat the opposition of the Second Chamber? The many hours that the Conference devoted to this subject indicate the fundamental issues that it raises.

The present position, as it has been left by the Parliament Act, is that the term Money Bill is very strictly defined and that the decision as to whether a Bill comes within that definition is left to the Speaker. This provision of the Parliament Act had been fiercely resisted as it passed through the House of Commons and the issue was again raised at the Conference. Protracted discussion proved that it is beyond the wit of man to frame an inclusive and satisfactory definition of a Money Bill, and the solution of the difficulty was sought by creating a tribunal to whom each case could be referred as it arose. The Judicial Committee of the Privy Council had been frequently suggested as the most suitable tribunal, when the Parliament Act was being debated, and this proposal was repeated at the Conference. But it was argued that the decisions would not involve the interpretation of Bills, but their broad political and social effects, and that for such a purpose a parliamentary body was more suitable than a legal one. The Conference, therefore, decided that a Finance Committee, consisting of about seven members from

each House—chosen at the beginning of each Parliament—should take the place of the Speaker as the arbiter of what constitutes a Money Bill. This proposal reappears as the fourth of the Government resolutions, with the addition that the Speaker is to be the *ex-officio* Chairman of the Committee It is based upon the belief that the Speaker of the House of Commons cannot be accepted as an impartial tribunal in these disputes But the real parties to such disputes are not the two Houses but the various political parties, and the impartiality of the Speaker in party conflicts is one of the most unquestioned traditions of our parliamentary system. This tradition has been already reflected in his attitude to Money Bills, on which he has insisted upon the strictest possible interpretation of what the term contains. In the sessions of 1911 and 1914-16 he refused his certificate to the Finance Bills, which accordingly went up to the House of Lords as ordinary Bills. It is not reasonable to expect that —after a party fight over a Bill—a body consisting of those who are themselves partisans engaged in conflict will be more impartial than the Speaker.

When the Conference turned to the second of the chief issues which had to be decided—the general powers which the Second Chamber was to wield—the most acute divergences of view disclosed themselves. The widest cleavage lay between the supporters of the Joint Sitting of both Chambers and those of the Referendum, as the final means of determining a disagreement between the two Houses. The opponents of the Joint Sitting urged that the House of Commons would far outnumber the House of Lords, and that, as the result of a Joint Sitting could usually be seen in advance, those who knew that they had the ultimate majority behind them would merely smother all opposition. The Referendum was opposed upon the ground that it could not be confined merely to the settlement of disputes between the two Chambers, but that, when once introduced, it must play a dominant part in the Constitution. Its suitability for such a part was attacked by the usual arguments which have been used in previous controversies on this proposal. The failure of either section to convince the other led to a situation in which at one time the only solution seemed to be that both sides should state their views in the report of the Conference without any conclusion being reached. The final result was, however, that, after informal discussions, both proposals disappeared, and the Conference came to an agreement on the third device which had been suggested for the settlement of disputes, that of a " Free Conference." The term " Free Conference " suggests a body which confers, that is, discusses and negotiates, but has no final or binding authority. It is an accurate description of the proposal in its first form, but, as the proposal developed, it was so stiffened and magnified—largely as the result of the compromise by which the proposals for the Joint Sitting and the Referendum were both dropped—that the term is quite misleading as a definition of the scheme which eventually emerged.

Under this scheme the proceedings of the Free Conference are to be secret. It is to consist of sixty members, thirty chosen by each Chamber. Of each half each Chamber will choose twenty members for the lifetime of the Parliament, and the remaining ten *ad hoc* for each particular Bill. The representatives of each House are to be chosen by the Committee of Selection of that House. A Bill on which the two Chambers cannot agree will come before the Conference at the request of either Chamber. If it is rejected by the Conference, it will die, but it may be anticipated that in most cases it will, in some form or another, come back out of the Conference to the two Chambers. The only choice they now have is to accept or reject the Bill as a whole, a point of the scheme which is fundamental, for it means that the House of Commons has finally lost control of the Bill in the form in which it was passed, and now only has before it the Bill as it has been altered by the Conference. If now both Houses either accept or reject the Bill, the matter is concluded. But, if the disagreement continues, and one House accepts the Bill while the other rejects it, there is to be a delay of one session, at the close of which the Free Conference takes it up again. If the Free Conference fails to report it back in the same form as before, it dies. But, if the Free Conference repeats it without amendment by a majority of not less than three (to ensure a substantial preponderance of opinion in its support), it then goes back to the two Houses once again. If, on this occasion, the House of Commons accepts it, it becomes law whatever may be the attitude of the Second Chamber.

The scheme is obviously a very complicated one. The first objection to it is that it lacks the simple intelligibility needed in democratic government, but its essential proposal is clear. The Free Conference can reject the Bill or can change it into any form that it decides. The House of Commons has no power in case of its rejection, and, if the Bill has been altered, even in its vital principles, must take it as it is or lose it altogether. The power of a Free Conference is, then, in the case of disputed Bills, as great as that of the House of Commons itself.

The political inventiveness of Lord Bryce and his colleagues has added one more to the possible devices by which a dispute between two Chambers can be determined, i.e., the creation of a Third Chamber which, when disagreement arises, becomes greater in power than the Second and equal in power to the First. But this fact lays bare the weakness at the heart of the whole scheme. The essential requisite, without which no Chamber could be given such tremendous powers, is that it should have an undoubted representative capacity. But the Chamber proposed is removed from the electorate by so many intermediate stages that its representative capacity is attenuated to a mere shadow. One-half is to be elected by the House of Commons ; the other half is chosen by a Chamber of which one-quarter of the members are selected by only ten persons, themselves the product of tertiary election. Of the remaining three-

fourths, one-third will be the product of a secondary election about ten or twelve years old ; another third of a similar election six or eight years old ; and the remaining third of a similar election by a recent House of Commons. Finally, this Third Chamber is to sit in secret. A body of this kind, consisting of members holding their seats for twelve years, in the main elderly men far removed from contact with the people, publishing no division lists, but debating behind closed doors, might be suitable as a revisory assembly, with definitely restricted powers of suggestion ; but the proposal to set it up as able to defeat the House of Commons is impracticable in a democratic state.

The explanation of such a proposal is to be found by tracing its development through the discussions out of which it grew. When the constitution of the Free Conference was finally carried, it had not been decided that it was to be a body of any binding authority. The amendments which transformed it into a new Chamber of enormous strength were only made at almost the last moment. But no further examination was made of its constitution, which remained as it had been before the new powers had been added. Thus, on a constitution devised for a body of very weak authority, there was finally erected a Chamber of unusual strength, founded upon a basis on which it is quite impracticable to hope that any such Chamber can stand.

The Theory of Progress

By Morris Ginsberg

Lecturer in Philosophy, University College and London School of Economics.

For about a hundred and fifty years the theory of progress has been a dynamic agent in matters political, philosophical and religious. It has been put forward both as a description of facts and as an ethical ideal. In the former sense progress is held as a theory of reality according to which the latter is essentially a process gradually realizing or attaining its nature in time. Generally, those who take this view ascribe to mind, and even to the mind of man, a central position in the universe. At the basis of their belief in the progress of the world as a whole is a belief in human progress. Humanity comes to be looked upon as an entity possessing continuity and identity, and passing in the process of time to a fuller and more integral realization of its potentialities. In the second place, progress has also been put forward as an ideal of human endeavour, an end ethically desirable and supplying meaning and purpose to the bewildering process of human history.

It might at first sight appear that these two theories are incompatible; that if progress be a fact, if a process of development is going on in accordance with necessary laws, then the theory of progress as an ideal is meaningless. For there is surely no point in urging humanity to pursue what it cannot, from the nature of the case, but pursue. But this is, perhaps, not a very serious objection, for many of the believers in progress as a fact do not think of it as necessary, but as essentially dependent upon human effort and initiative. And it must be remembered that, though it is idle to tell anyone to do what he cannot but do, it is equally futile to put forward ideals which are not capable of realization. If progress were impossible, if Nature were not amenable to standards of value, if there were not something in the constitution of things which meets our hopes and responds to our aspirations, if man were indeed an alien amidst hostile forces, then all that we could do would be "to accept the universe," or in Promethean defiance attempt to defeat the cosmic process at every step, although such an attempt would have been hopeless and foredoomed to failure. On the other hand, if it can be shown that progress is a fact, that in the processes that constitute Nature and History there have been gradually realized ends which find a response in our nature, this fact would point to the presence of the conditions which made it possible, and this would be an incentive to us to discover those conditions, and to use our knowledge of them to maintain and further that progress. The belief in progress is thus one of the ways in which there is expressed the profound desire of man to be at home in the world, to see in Nature

an effort to realize ends akin to those that can satisfy him. Yet the theory has not always, or even long, been held. Though it is true that ideas of decadence and progress are to be found in ancient literature, the profounder thought of antiquity, though it linked up reality with perfection, did not view reality as a process in time progressively realizing ends, but rather took retrogression and progression as the ebb and flow of an unchanging sea. It therefore favoured theories of cyclical recurrence.

Even in the Renaissance such theories are to be met with. Machiavelli views the process of history as a displacement of permanent elements. The quantity of good and evil in the world remains constant. The changes that take place are purely local—if advance is made in one part of the world there is retrogression in another. Goodness may shift from one place to another like empire, but no real change for the better is effected on the whole.

As a dominant idea the theory of progress, as I have said, belongs to the last hundred and fifty years. Yet there are now signs that it is losing its hold. In a recent lecture Dean Inge has criticized it as he says "unmercifully," and Prof. Bury, in concluding his elaborate history of the idea of progress, suggests that its value as a doctrine is purely relative, corresponding to a certain not very advanced stage of civilization, just as providence in its day was of relative value corresponding to a stage somewhat less advanced. Neither of these authors has made the attempt to define the term or to lay down criteria of progress.

As a metaphysical theory, progress, as far as I can see, implies :

1. That there is discoverable a rational criterion of value.
2. That there is a necessary connection between value and existence; that the existent is, so to speak, amenable to ethical ends.
3. That the realization of values takes place gradually, in time passing from the lower to the higher or fuller.

The importance of having a criterion of value becomes especially clear when we remember the confusions that have arisen from the facile identification of evolution with progress which, above all, the influence of Herbert Spencer tended to encourage. From the theory of evolution he deduced a law of necessary progress. Progress means successive adaptation to environment, and Spencer has no doubt that eventually the process of adaptation will be complete. "The ultimate development of the ideal man is logically certain—as certain as any conclusion in which we place the most implicit faith ; for instance, that all men will die. Progress is not an accident, but a necessity. What we call evil and immorality must disappear. It is certain that man must become perfect—always towards perfection is the mighty movement—towards a complete development and more unmixed good."

Spencer further thought that the process of adaptation to environment was bound to lead to greater happiness.

This theory need not be here further discussed. Huxley has disposed of it once and for all :

" So far from gradual progress forming any necessary part of the Darwinian creed, it appears to us that it is perfectly consistent with indefinite persistence in one state or with a gradual retrogression."

It is clear that adaptation to environment cannot of itself be taken as a criterion of progress. The lower animals are just as well organized for the purposes of their life as the higher for theirs. Adaptation may be reached by a reduction of wants or by increasing complexity of adjustment. The bare formula of adaptation scarcely means more than the fact of existence. The criterion of advance cannot be found in mere adjustment of inner and outer factors. In fact, Herbert Spencer himself appeals to what is really a different criterion, viz., *complexity* of adjustment between organism and environment. Evolution implies an advance to a state of increased coherence, definiteness and heterogeneity, and rests upon a double process of differentiation and integration. Mere differentiation of structure and correlative function is not sufficient. There must further be an integration of the differentiated parts, such as to lead to the harmonious co-operation of an orderly whole. We thus reach a criterion which might be applied to individuals as well as to systems.

Thus one individual or one system is more developed than another if it exhibits greater differentiation and integration of parts, and if its parts mutually support one another with a view to the functioning of the whole. This functional or teleological way of regarding things may be studied empirically or inductively and different phases of co-ordination marked out. In the higher stages it will then be seen that the correlation and co-ordination so effected is the work of mind, rests upon impulses, feelings, ideas and purposes.

Progress or development may be defined as an evolution of harmony or as the extension of the sphere and deepening of the inner unity of harmony. Since in the higher phases this is the work of mind, we may take as our guide to the problem the extension of the area of conscious control of the conditions of development.[1]

It will, however, be asked what virtue there is in increase of complexity or in the extension of the sphere of organized and co-ordinated action. Herbert Spencer's attempt to deduce an essential connection between progress and happiness from the general theory of evolution, cannot be regarded as successful. Von Hartmann has shown that on the basis of that theory it is quite as possible to reach the pessimistic conclusion that progress means an increase in misery. Professor Hobhouse, however, has argued that an extension of harmony as defined by him is a rational good, i.e., is rationally desirable. For the good is primarily that which satisfies impulse—is a harmony between impulse-feeling and experience—and if by the

[1] This is the conception which Professor Hobhouse has developed with an impressive weight of evidence in his *Development and Purpose*.

rational we mean the systematic, connected, coherent, then the rational good would be the harmonious good, i.e., a harmony of harmonies. The extension of harmony must therefore be rationally good and not merely a neutral process of evolution.

We then arrive at a criterion of progress, viz., the extension of the sphere of harmony both in scope or inclusiveness and in inner unity and intensity. It may be added that on this view happiness may be shown to be an integral element in the good. For happiness may be defined as the feeling tone which accompanies the satisfaction of the deeper and more fundamental parts of our nature, and the extension of harmony, which when applied to man means the harmonious fulfilment of personality in society must carry happiness with it.

Is there any evidence for progress thus defined?

A study of mental evolution, it is maintained, reveals the gradual emergence of types of organisms exhibiting greater and greater complexity and differentiation of parts, and functioning more and more perfectly as wholes. Stages of correlation may be indicated ranging from the rough and ready responses to stimuli determined by hereditary structure to the stage at which the psycho-physical organism becomes aware of its own nature and of the conditions of development and is able to shape a scheme of purposes covering its whole life or even the life of a whole people. As we study the evolution of mind, it is maintained, we see that as the mind grows the sphere of consciousness expands, the mind becomes aware of its growth, of the conditions that limit it, capable of measuring the distance and direction in which it travels and conceiving for itself a harmonious future. A study of human history and of human institutions shows that there have arisen gradually widening circles or spheres of harmony in the course of evolution. It is not maintained that this advance has been continuous, but merely that, on the whole, the broad conditions of permanent progress have been realized. This advance has been connected with a general development in the life of mind as controlling physical conditions, but in particular our growing knowledge of the laws of social evolution, of heredity may, it is maintained, soon lead to a turning point in the history of humanity at which it will be able consciously to control its destiny, to map out the ends to be pursued, and to secure the conditions and means requisite for their attainment.

The fact of progress thus empirically ascertained, it is further argued, points to the existence of permanent conditions making it possible and, therefore, to a teleological view of reality, according to which the latter is to be conceived as a process of development, the ground of which is to be found in a mind, not coextensive with the universe, but the dynamical agent within it, a mind striving ever against conditions that limit it, to a fuller and fuller harmony. The highest incarnation of this mind known to us is "humanity," "conceived as the spirit of harmony and expanding life, shaping the best actions of the best men and women." The history of man is taken

to be a process in which the ends appropriate to the operation of the Spirit of the Universe are working out their natural results.

The strength of this argument depends on the validity of the empirical synthesis upon which it is mainly based. Let us concentrate our attention here on the problem of human progress. To most people this problem presents itself as a question whether the people of to-day are physically, mentally or morally superior to the people of 2,000 years ago, etc. Now, the opponents of progress maintain that so far from there having been progress, there is actually going on in the European peoples a process of rapid deterioration. "Civilization tends now, as always, to a weeding out of the best, and the new practice of subsidizing the unsuccessful by taxes extorted from the industrious is cacogenics erected into a principle. If so-called civilized nations show any protracted vitality, it is because they are only civilized at the top. Ancient civilizations were destroyed by barbarians; we breed our own." This and similar arguments urged by many eugenists are based on the relative infertility of the better classes and the consequent increasing recruitment of the newer generations from the lower and less fit classes. These arguments seem to me open to the objections:

(*a*) They assume, generally without attempt at proof, that there are fundamental and inherent differences in racial or innate qualities between the social classes, and often also between different races. As to this it may be safely said that the evidence in favour of such inherent difference in ability is exceedingly small. Recently appeal has been made to intelligence tests, and there is a tendency in many quarters to base far-reaching conclusions on them. But it should be remembered that these tests do not entirely eliminate environmental factors, and, secondly, that as far as one can gather, psychologists are by no means agreed as to what exactly it is that is being measured by these tests. Of a great deal of what is called mental measurement it has been said that it is neither mental nor measurement. Even allowing that the tests do reveal innate differences in intelligence as between the classes, and that the lower classes are inferior in this respect, that result is by no means decisive, for it is quite arguable that they are superior or, at least, equal to the upper classes in other respects, as, e.g., in qualities of character and temperament.

(*b*) Generally, however, when those writers who believe in race deterioration condescend to proof, they frankly appeal to success in life as a criterion of fitness, but in that case their argument amounts to no more than the bare tautology that the best survive and that those who survive are the best. Again, even if we take success as our criterion, it has by no means been shown that differences in scucess are due to differences in native capacity, and it might well be argued that the existing differences in the wealth owned by the various sections of the community produce such marked differences in the possibility of their advance, that all other differences may

for the time, be neglected. Success or failure could only indicate superior or inferior ability if all other conditions were equal as between the classes. Apart, therefore, from the questionable correctness of taking success in life as a criterion of what is socially desirable, it must be maintained that so far no real proof has been given of the existence of a close correlation between success and innate capacity.

(*c*) As far as I know no direct empirical evidence of deterioration has been furnished.

(*d*) So far as the arguments are based on general biological grounds, it might be well urged that if changes take place by mutations and not by accumulation of small variations, and if, further, the law of the return to the mean is true, no permanent deterioration can take place in the race as a whole as the result of the facts of differential fertility.

But if no case can be made out for deterioration, neither can we prove improvement. There appears to have been no improvement in physical qualities, in size of brain, etc., for many thousands of years. Whether the innate moral endowment of man is better now than it was thousands of years ago it is difficult to say. Morally, it may be argued, human nature has not changed for the better, for though in actual behaviour people may be kindlier, more humane, less brutal in their pleasures and their resentments, such differences of behaviour may be due not to any radical improvement in human character, but to a difference in circumstances, in law and other institutions. In the *same* circumstances modern man is as brutal and perhaps even more so than many savages.

The theory of progress and the criterion above outlined refer, however, not to racial but to social changes. The reality of progress is asserted on the ground, not of actual improvement of the natures of human beings, but of the fact that there has taken place a perfecting of the machinery of social organization, with the result that life is fuller, that we have greater control over the forces of nature, and are generally nearer on the road to the discovery of the conditions of harmonious development ; that the area of conscious control of the conditions of evolution has expanded ; that there has been an expansion and growth of the social mind.

By the social mind of humanity in this connection is not meant an entity independent of the different individuals of different ages and peoples, but is a phrase indicating a growing unity of mind or spirit—not akin to the unity of the individual mind, but to the unity that is exemplified in social aggregates, in varying degrees, and which consciously and unconsciously dominates the life of the members. Now it seems to me that the believers in progress have greatly exaggerated the degree of development attained by the social mind of humanity, and even of the great nation states.

The mental forces that are operating in society are of the most bewildering character and do not impress us with the sense of effort

at system or harmony. The laws of interaction between mind and mind are largely unknown, and in so far as they are known they are used for the deliberate distortion of opinion by the processes of cumulative mass suggestion. If the people has a will it is certainly difficult to discover it. The difficulties of democracy lie, it is now coming to be recognized, not in the difficulty of finding an appropriate mechanism for the expression of the general will, but in the fact that there is no such will to express. With Huxley, we might say:

> "Even the best of modern civilizations appears to exhibit a condition of mankind which neither embodies any worthy ideal nor even possesses the merit of stability."

Actual institutions and changes in them are not to any great extent the result of conscious thought or knowledge of the laws of social evolution, but are at best trial and error experiments at discovering a *modus vivendi*. Popular idealism is generally of the flimsiest character, and has neither consistency nor durability. Not even the trained sociologists know very much of the real laws that control social change, of the laws of biological and social heredity or of mental interaction, or even of the effects of the various types of social institutions upon life and character. As to the movement of human history as a whole, only the eye of the optimist can see in it evidence for an expanding, systematic or unitary purposiveness.

The application of the criterion of the expansion of the area of conscious control is thus not very promising. Let us now apply to social institutions the criterion of progress above laid down, viz., development of harmony in scope and inner unity. One institution is better than another if it is in the first place more comprehensive and embodies and reveals a greater number of elements; and, in the second place, if it exhibits greater integration of elements, giving each its due place but subordinating each to the requirements of the whole. Applied to society, this would mean that one order of society is better than another to the extent to which it is (*a*) more comprehensive; (*b*) exhibits greater inner articulate unity.

The higher orders of society will be those which are based not on suppression of elements, but on free and harmonious co-operation, in which there is a greater fullness of life, a greater realization of capacity, of personality, for the majority of the members constituting the society; in which there is an abundance of free associations, an absence of arbitrary authority or of subservience to it, a devotion to large and comprehensive purposes giving satisfaction to the deepest and most vital cravings of human nature.

Now, when we apply this test the answer is by no means unambiguous.

Increase in scope and complexity of organization there certainly has been. It is not difficult to show that there has taken place a gradual and steady extension of the sphere of social control or regulated order. It is also true that personal rights have been

gradually won by greater and greater numbers of individuals, at any rate in the eyes of the law. Legally, it may be quite possible to prove that there has been a development of autonomy, both of individuals and groups throughout the world. Compare the disappearance of slavery, the growth of toleration in religion, the improvement in the position of women, the extension of the franchise, the multiplication of voluntary organizations, the spread of education, and so forth. If, however, we take the harmonious development of personality as our criterion of the value of social institutions, these facts are by no means conclusive in favour of progress. If there has been an extension of organization, that very fact has brought problems with it which are perhaps insoluble. The mere possession of political rights is no real indication of genuine self-government. The spread of education has made possible an expansion of the power of propaganda by means of which there is effected a subtle invasion and penetration of personality on a tremendous scale which makes the possession of legal freedom much less of a reality than it appears. Can we really say that morality is less and less determined by mere convention and custom? Can we be sure that the influence of arbitrary authority has really decreased? Has there really taken place an expansion of the moral and mental powers of the majority of the people? Can we point to an increase of devotion to large and comprehensive ideals? Do we know enough of the nature of social institutions to lay down with any certainty the laws of their evolution and of their effect upon character? Can we say that they have led to a steady improvement in human character and behaviour? There is much in the present state of the world to suggest that social institutions are inadequate to deal with the problems which the expansion of organization and of inter-communication have brought with them, and that they will collapse under the burden of these problems. There does not seem to be enough knowledge or spiritual insight adequate to the present demands of civilization, and whatever knowledge exists appears impotent.

So far as the empirical facts are concerned, I think we may safely say that, if there has been any progress, we are much nearer the beginning of it than the end. But the reality of progress has also been asserted on the ground that the notion of conditioned purpose, i.e., the gradual realization of a world purpose of a mind operating under limiting conditions which it gradually discovers and controls, is the only one that can yield a rational explanation of the world. With the general metaphysical ground of this argument I am not here concerned. except, perhaps, to point to a difficulty that has often been urged against the application of the category of purpose to the process of development of the universe as a whole. In purpose as we know it in human activity the idea of the end precedes the activity or attainment, but such temporal antecedence is meaningless when applied to the time process as a whole, for then the ground of temporal development would itself be brought within the time

process. Be this as it may, it seems to me rash to assume that the world-purpose, if there be one, must be such as to embody, in their entirety, the purposes of humanity, particularly the purposes that happen to appeal to the Western races. "*L'anthropolatrie voilà l'ennemi*," we may quote with Dean Inge. Granting that there must be ultimate harmony in the universe as a whole, we cannot, on purely logical or formal grounds, determine the manner in which such harmony is being attained. Perhaps it can only be attained at the expense of the entire suppression of many of its elements. From the point of view of the universe as a whole, our hopes and fears, our loves and hates, our beliefs and aspirations may be of as little significance as are to us the life struggles of many of the lower animals, or the suffering of primitive peoples to the so-called civilized races. The place of human purposes and ideals in the world scheme cannot then be deduced from the formal conditions of developmental harmony, but apart from the identification of the world purpose with the purpose of Humanity, progress, even if its reality could be proved, would be ethically as neutral as the progress of the earlier evolutionists. That existence and value are intrinsically connected has often been argued. By some thinkers this is maintained on the ground of what seems to be no more than the ontological argument in a new form, viz., that the most perfect must exist. For this transition from idea to existence there is no warrant. All that we are entitled to say is that the universe must be such as to allow of ideals arising within it. Though the *is* and the *ought* must not be identified, reality must allow of ideals of moral conduct arising within it, but we cannot find in this any guarantee that such ideals must be necessarily capable of fulfilment or realization.

A further argument in favour of the connection between value and existence is that reality is only intelligible teleologically, that the notion of complete system, which is the aim of rational explanation, implies that all the parts of the universe, as developing in time, mutually support one another or are ends or means to one another. This may be granted, but it should be remembered that the notion of system is purely formal and the unity of the universe may be obtained by a transmutation and even elimination of all the ends that, as human beings, we consider valuable. The progress and persistence of the living beings that inhabit this earth and their values may be of very little significance in the universe as a whole. The problem of progress in the limited sense of the progress of humanity cannot, as it seems to me, be proved by metaphysical considerations as to what is involved in the intelligible explanation of the universe, but must be decided empirically by an attempt to mark out the actual historical stages or phases through which humanity has passed, and by applying to this historical sequence rational criteria of value as we understand them. In the way of such an attempt, there are, as it seems to me, very great difficulties. Happiness certainly is a deceptive criterion, and one, moreover, not capable of application

with any scientific accuracy even to the stages of an individual's life, much less to a nation or still less to humanity.

The criterion of the extension of harmony in personal development is more promising, but so far it has remained too formal a notion. When you try to make it concrete its application gives by no means an unambiguous answer to our questions as to the reality of progress. The control of life has expanded in area, in extent, but can we be sure that there has been a corresponding extension in the realization of spiritual values? May it not be that the complexity of our life has but added greater opportunities for discord, and that we are not really on the road to that harmonious fulfilment of ends which is taken to be an indication of the Divine Purpose in the universe?

Saint-Simon and his Influence on Karl Marx

By Alice M. MacIver,
Research Student.

Henri Claude, Comte de Saint-Simon, whom history has dubbed "The Father of Socialism," was a descendant of that famous family of Saint-Simon which traced its origin back to Charlemagne and which gave us the inimitable chronicler of the court of Louis the Fourteenth. Such a lineage must have included a curious assortment of ancestors, and the Saint-Simon with whom we are concerned truly can be said to have lived up to the traditions of his ancestors. The individuality of his character soon asserted itself, for at the age of thirteen he refused to be confirmed, which enraged his father to such an extent that he had him imprisoned for several months. Two years later we find him instructing his valet to wake him in the morning with the following formula: "*Levez-vous, Monsieur le Comte, vous avez de grandes choses à faire.*"

Much might be expected from a boy with such opinions, and all through life Saint-Simon fulfils these expectations to the utmost. Having served with Lafayette in the American War of Independence, the outbreak of the French Revolution found Saint-Simon full of enthusiasm for the cause of liberty. He gave up his title of Count and was elected by his tenants as their representative in the local Assembly. By this time he was already dreaming of one great system which should synthetize into one, science, industry, art, politics, and religion, and, finding the lack of money a drawback, he speculated very successfully in the sale of confiscated lands, being, in the venture, financed by the Prussian Ambassador to England. This partnership was only temporary, and as far as can be ascertained, the Prussian Minister got very much the better of the bargain, still Saint-Simon gained enough with which to marry, rent a large house in Paris, and for two years live a life of luxury and extravagance. He kept open house for all comers and attracted many men of science and literature, many of them being professors whom he engaged to teach him privately, he being at the time particularly interested in physiology and biology.

At the end of two years he had exhausted his fortune, and hearing that Madame de Staël had just been left a widow he promptly divorced his wife in order to make the former lady an offer of marriage. He justified this proceeding by pointing out that as Madame de Staël was the most remarkable woman of the age and as he was

the most remarkable man, their offspring would be more remarkable still. Unfortunately for posterity the offer was declined, but as Madame de Staël was then living in Switzerland, it is to be presumed that the incident is in some ways connected with the *Letters of an Inhabitant of Geneva*, Saint-Simon's first published work, and from the point of view of socialistic theory his most interesting.

After this Saint-Simon's life is a record of poverty and suffering, terminated by his death in 1825. During this period when he rarely had enough to eat, had no fire in winter, and worked long hours as a copying clerk, he turned out the most amazing collection of pamphlets, discourses, sketches of projected works, and unfinished fragments of all kinds. He made, as a rule, no attempt to co-ordinate his ideas into a completed whole, but insisted on considering his writings more in the nature of a correspondence with his readers, who were expected to criticize and reply. In this way he made friends with many of the leading men of the day and gathered round him a small band of devoted disciples, which at one time included Augustin Thierry and Auguste Comte. At the time of his death Rolinde Rodrigues was his favourite pupil and was entrusted with the carrying on of the master's work.

Saint-Simon's aim was to formulate a system to include every branch of life and synthetize it into one harmonious whole. He wanted to found a science of progress which by studying the past would give men a sure guide for working out the future. Every branch of human knowledge had some bearing on the problem and each had to be studied and assigned its proper place in the system. We can divide Saint-Simon's intellectual life into three divisions: the early period when he was particularly interested in the different branches of positive science; the second period when, profoundly impressed by the political events of 1814-15, he turned his attention to social and political questions; and thirdly, the last two years of his life when he occupied himself particularly with the bringing of Christianity up to date in the *New Christianity*.

The second period is the important one from our point of view, and the one to be studied when considering Saint-Simon's claim to be considered the "Father of Socialism." We have to remember that although most of Saint-Simon's works were published between 1815 and 1825, yet he himself belongs to the eighteenth century by education, tradition and social position. He is a direct descendant of the Encyclopædists, yet he lived through the Revolution, saw its good as well as its bad points, and was tremendously influenced by Condorcet, Adam Smith, and J. B. Say, so that he is a unique link between the pre-revolutionary and post-revolutionary periods. These facts have to be remembered in tracing his ideas through his chaotic writings. In regard to social and political questions his fundamental propositions are fairly obvious. A true disciple of Adam Smith and J. B. Say, he longed to abolish the then existing state and confine its activities to a few necessary functions. He

thought in industry lay the future of man and that the only productive work to be done was to increase the nation's wealth by trade, commerce and industry. To this end he advocated an industrial form of government carried on by selected experts. He divided the nation into two classes, the producers and the idlers, and predicted that as the latter class was non-essential and a drag upon the rest it would have to disappear.

In his desire to promote material wealth he points out the disutility of competition between town and town, province and province, and country and country, and he advocates a scheme for a league of nations, surprisingly like the League now in existence, by which Europe should be governed by a General Parliament in which France and Britain were to have the preponderating influence.

Saint-Simon is not a socialist in the sense of being a social-democrat. He believes that the majority of the people are a lazy, supine mass whom a good industrial government must direct and guide. It is true that in the *New Christianity* he says: "Society should be organized in such a fashion as to secure the greatest advantage for the greatest number. The object of all its labours and activities should be the most prompt and complete amelioration possible of the moral and physical condition of the most numerous class." But in discussing how this is to be done he says: " The problem of social re-organization must be solved for the people. The people themselves are passive and listless and must be excluded in any consideration of the question. The best way is to entrust public administration to the care of the industrial chiefs, who will always directly attempt to give the widest possible scope to their undertakings, with the result that their efforts in this direction will lead to the maximum expansion of the amount of work executed by the mass of the people." (*Système industriel.*)

In his famous *Parable*, published in 1819, he elaborates his attitude towards the State and society still further. He points out that if France lost all her men of genius the loss would be irreparable, but that the loss of all the nobility, and of all the dignitaries of Church and State, could be easily made good. " These facts prove clearly, though in an indirect manner, that the social organization is still very imperfect; that men still allow themselves to be exploited by violence and deception; and that the human species, speaking politically, is still plunged in immorality.

" These suppositions show that actual society is really the world turned upside down.

" Because the nation has admitted as a fundamental principle that the poor should be generous for the sake of the rich, and that in consequence the less comfortably off deprive themselves daily of part of their necessities to add to the superfluities of the great proprietors;

" Because the great criminals, the general thieves, those who squeeze the mass of the citizens; and who take from them three to

four millions of francs per annum, find themselves charged with the duty of punishing small crimes against society ;

" Because ignorance, superstition, laziness and the taste for expensive pleasures form the equipment of the chief leaders of society, and men who are capable, economical, and industrious are only employed as subordinates and as instruments ;

" Because, in a word, in all forms of occupation, incapable men find themselves charged with the duty of directing capable men ; in the present condition of society, the most immoral men are appointed to teach the citizens virtue, and in regard to distributive justice, the great criminals are appointed to punish the faults of the small delinquents." (*Parable de Saint-Simon.*)

Here may be discerned the germ of the Marxian Socialism wrapped up in what might almost be called a paternal application of the doctrines underlying *laissez-faire*. Saint-Simon's conception of an industrial State taking the place of the existing political one has much in common with the Marxian idea of the " withering away of the State," although it approximates more closely to the theories of the Syndicalists. Much of his writing on this point has what we would now call a true Marxian ring about it and it becomes obvious where Marx found some, at least, of his inspiration. Further, we could almost say that the idea of a government of experts specially concerned with economic questions could be considered as a forerunner of the present Soviet system such as is aimed at in Russia, with its crude beginnings in the Paris Commune, although Saint-Simon held that the experts should be elected by the nation as a whole.

But there are two other points which we find emphasized in Saint-Simon's writings which are even more definitely associated with Marxian Socialism. In the Genevan Letters, published in 1803, explaining his extraordinary scheme for the advancement of learning, he writes as follows : " Humanity, which I divide into three classes : the first marches under the standard of the progress of the *esprit humain* : it is composed of scientists, artists and all men with liberal ideas. On the banner of the second class is written : ' No change.' All the proprietors who do not belong to the first class belong to the second. The third class, which rallies to the word ' equality,' includes the rest of humanity."

Then he continues: " I should speak thus to the first class : Sirs, in comparison with the non-property owning class you are very few ; how does it come about that they submit to obeying you ? It is because the superiority of your education gives you an advantage over them, and allows you to combine your forces in such a way as to procure for you ordinarily the advantage in the struggle which, by the nature of things, necessarily exists between you and them."

And in addressing the third class he says : " Until now, the rich have had hardly any other occupation than that of commanding you : force them to explain things to you and instruct you ; they

make you use your arms for them: make them use their heads for you."

Here we have the "theory of the class-struggle" clearly stated for the first time, and stated in true Marxian phraseology, for not only is the inevitable conflict recognized, but the importance of the part to be played by the bourgeoisie is also pointed out, as in the famous Communist Manifesto itself. It is extraordinarily interesting to find this *ci-devant* Grand Seigneur recognizing and accepting the fact that the struggle is inevitable, and it marks a distinct advance in the development of socialistic theory.

In their conception of history Saint-Simon and Marx have still another point in common. The study of the history of communistic theory during the half-century preceding the publication of the Communistic Manifesto of Marx and Engels, proves that the materialistic conception of history did not spring fully developed from the brain of Marx. We can trace it back in the works of the French Socialists through Considerant (the most distinguished disciple of Fourier) to Saint-Simon, who in reality got it largely from Condorcet, and it is probable that Hegel knew and was influenced by the works of the latter.

But Saint-Simon in his treatment of history approximates very closely to the Marxian position and makes exactly the same mistake that Marx did thirty years later. In his eyes history was a positive science. He believed that if history was properly and thoroughly studied and (so to speak) reduced to its prime factors, it was possible to foretell with certainty the future. The following extract from *La Société Industrielle* gives a very good idea of Saint-Simon's attitude of mind in this respect. "The recapitulation of society's past has proved to us that the industrial class has continually gained in importance, while the other classes have steadily lost; and we must conclude from that that the industrial class will end by constituting itself the most important of all.

"Simple common sense has given to all individuals the following argument: Men having worked for the amelioration of their lot, the end towards which they have always striven has been the establishment of a social order in which the class occupied in the most useful tasks shall be the most honoured, and this is the goal which society shall finally attain.

"Work is the source of all the virtues; work having the greatest utility should be the most respected; therefore human and divine teaching call equally to the industrial class to play the leading rôle in society."

Further, the famous quotation from the end of *De la Réorganisation européenne*, gives a clear view of Saint-Simon's conception of history as a whole. "The imagination of poets has placed the golden age at the cradle of the human race, during the ignorance and brutishness of very early times; it would have been much better to relegate the age of iron to that very distant past. The golden age of the human

race is not behind us, it is in front, it lies in the perfection of the social order ; our fathers did not see it, but our children will arrive there one day ; it is for us to clear the road for them "—an interesting point of view for a man whose early life was passed in the midst of luxury, and whose later years of intellectual toil were rendered intolerable by lack of food and fire, and the want of money to print his writings.

From the various quotations given we gather that Saint-Simon was an optimist and a believer in that which the future shall bring to mankind. Unlike Fourier, who was a disciple of Rousseau and believed that civilization had corrupted mankind, producing inequality and poverty, Saint-Simon was inspired by the Encyclopædists of the eighteenth century, who believed that man owes to civilization his qualities which distinguish him from the brute creation, and also his possibilities for happiness. He was a great admirer of Condorcet's *Esquisse d'un Tableau historique des Progrès de l'Esprit humain*, which displays the same optimistic outlook as that of Saint-Simon and the same belief in the possibility of science bringing about human happiness. When we remember that Condorcet wrote his book hiding in a Parisian garret, and when it was finished calmly took poison to escape the guillotine, even our modern and materialistic minds cannot help being impressed.

Still Saint-Simon had no use for the word " liberty " as such, and pointed out that by itself it had no meaning, but he had entire confidence in the good effects of civilization and looked to a society governed by *savants* and *industriels* to bring about heaven on earth. Sometimes he seems almost to believe that two or three statutes passed by Louis XVIII would usher in the millennium. In his general optimistic outlook on life he was also inspired to some extent by Adam Smith and his disciples. Leave men to arrange their own affairs, and all will turn out for the best, said the disciples of *laissez-faire*. In some ways this was also the point of view of Saint-Simon, and his demand for State intervention was not to ameliorate the state of the workers, but merely to hasten as rapidly as possible the inauguration of the new society.

Thus from the French Encyclopædists of the eighteenth century Saint-Simon inherited his optimistic outlook for the future, and the events of the Revolution and his own miseries never moved him from that position. In this optimistic outlook he has very much in common with Marx and Engels. One of the Marxian dogmas which has had the greatest appeal to working men and women has been the inevitability of the coming of the Socialist State. Marx taught and believed that he could construct the future from a detailed study of the past, and described the course which future events would take—such as the increasing misery of the proletariat, the concentration of capital in the hands of the few, etc.—all of which would force the workers to unite and bring about the creation of the Socialist State through revolution and as everyone knows, the Bolshevists hold that

they are carrying out the true spirit of Marx's teaching. In much the same way did Saint-Simon look on history and above all he believed as Marx did in the final victory of his ideas. He believed in their victory not simply because they were his own, but because he held that history showed his predictions to be infallibly true. His unwavering faith in the coming of what we now call the Socialist State is perhaps his greatest contribution to the history of Socialist thought, and is reflected in the Marxian teaching on the same subject.

In actual method of writing there is much similarity between the two men. Saint-Simon always justifies his proposed reforms by appealing to the history of civilization in much the same way that Marx uses in the opening paragraphs of the Communist Manifesto. Bazard (the most important of Saint-Simon's disciples) says in the *Exposition of the Saint-Simonian Doctrine*: "A new science, a science as positive as all those which merit this name, was conceived by Saint-Simon : this is the science of the human species. His method is the same as employed in astronomy or physics : the facts are classified as a series of homogeneous terms, arranged in order of generalization and particularization, so as to make their tendency stand out—that is to say—demonstrate the law of increase and decrease which they are subject to." This is exactly Saint-Simon's own position which is reflected in practically all his writings.

Thus we see that Saint-Simon does deserve in some respects the title of "Father of Socialism," as he has been called, but more because of the inspiration his works gave to later writers than from the position he himself took up. In many ways his view of the future is anything but socialistic. He believed that in the industrial State the bourgeoisie would be called upon to play the most important part ; as the workers are too supine to organize themselves, the Government must legislate for them and the workers themselves were to have no voice in the Government. Also Saint-Simon himself firmly upheld the right of private property, although his disciples did not follow his leading in that respect.

Yet this man with his curious and seemingly confused mind does carry us a long step further in the evolution of socialistic thought. With him we have definitely left the French Revolution behind. The words "liberty and equality" have no meaning for him. Inequality, he stoutly declares, is the basis of all human society. But in other ways he has lost the inspiration of the Revolution—democracy is to him a delusion, and through all the various schemes which he drew up for the organization of the State the note of autocracy is always heard.

To us Saint-Simon's views on the development of society are by far the most interesting and important of his theories. To his own generation this was not so. What made Saint-Simon celebrated were not his writings, which were hardly ever read, but his claim to be the founder of a new Christianity and the new Messiah. He hated clericalism and blamed the clergy for much of the misery in the

world. He considered it a conservative force which had hindered the proper development of science and industry. Therefore he desired to scrap the Church and its theology, and in its place set up a religion based on the real teaching of Christ as set forth in the New Testament. The last two years of his life were occupied in writing *Le Nouveau Christianisme*, in which these two themes predominate : " Love your neighbours as yourself," and " Religion ought to direct Society to the great end of ameliorating, as rapidly as possible, the lot of the poorest class."

In 1825 Saint-Simon died. As he lay there in his garret—his face bearing the obvious traces of poverty and suffering—suddenly and for the last time, the flame of his unquenchable spirit flared up and, turning to the small band of his devoted disciples he said: "Remember always one must be passionate in order to accomplish great things. All my life can be summed up in one thought—the desire to gain for all men the freest development of their faculties."

A few moments later and life was extinct, but the spirit which was Saint-Simon is with us still and has manifested itself in many and unexpected ways. Looking back, his immediate followers seem to have lost completely the true meaning of his teaching, but with that bizarre religious movement known as Saint-Simonism we are not concerned here. We have merely been concerned with the right of Saint-Simon to be called the Father of Socialism and we have tried to show how much justice there is in that claim.

The Ontario Government Savings Bank and Farm Loan Scheme

By Leonard Le M. Minty, B.Sc.,
London Joint City and Midland Bank, England.

Many considered that the question of farm loans had been successfully solved in the United States by the passing in July, 1916, of the Federal Farm Loan Act, and the formation under the Act of the Federal farm loan banks and farmers' loan associations. Since then, the exemption of the Federal farm loan bank bonds from Federal income tax has evoked a great deal of criticism from such bodies as the Farm Mortgage Bankers' Association, which choose to regard the whole scheme as an effort to subsidize the farming interest for political motives at the nation's expense. Mortgage loan banks which formerly financed the farmer naturally fear that Federal land banks, by lending to the farmers at rates below those at which they can themselves borrow, will squeeze them out of existence, and accordingly have done their best to combat the validity of the income tax exemption by which the Federal land banks are enabled to sell their bonds in the market at a better price than that obtained by the best industrial issues carrying the same rate of interest. As the controversy relating to the Federal farm loan banks is still unsettled, readers will probably be interested in a scheme similar in its general character which is being organized by the Agricultural Development Department of the Government of Ontario, Canada.

In the past a certain section of the farmers in Ontario have complained bitterly of the attitude of the chartered banks towards the problem of agricultural indebtedness. The farmers have complained, rightly or wrongly, that they are being " skinned " in the marketing of their produce by a class of middlemen the only excuse for whose existence, they claim, is the reluctance and legal disability of the banks to finance farmers directly. Not even such a prejudiced thinker as the farmer is wont to be lays the blame for, say, the perennial car shortage on the banks, but the farmer feels that it is because he has not the credit to carry his fortunes over the harvest, that he becomes such an easy fish for the middlemen's net.

The newspapers which represent the interests of the farmer point out that the Canadian chartered banks are organized to do a commercial business and cannot, from their nature, be expected to tie up their assets in long term loans to farmers. Banks owe a duty to their depositors and it would be unfair to depositors to expect them to cement their assets in long term loans. Moreover, it is illegal

under the terms of the Bank Act for any of the chartered banks to lend money on the security of real property. The present Bank Act was passed in 1913 and does not come up for revision till 1923. Section 7, subsection 2.c of the Act provides that a bank may not either directly or indirectly :

> " *c.* Lend money or make advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property or of any ships or other vessels or upon the security of any goods, wares or merchandise."

Further, a bank is restricted by law from holding real property for longer than seven years for purposes other than its own accommodation. Section 88, subsection 2, of the Act provides that a bank "may lend money to a farmer upon the security of his threshed grain grown on the farm," and under the Act of March 14th, 1916, may lend money on the security of live stock. By prohibiting the banks from lending money on the security of mortgages on real property the law practically prohibits the banks lending money to farmers at long term. As anyone can realize who has had any practical experience of farming, the short term loan may help a farmer grow and reap his crop, but it will be of no use to him in enabling him to purchase or develop his farm permanently. One newspaper, the *Farmers' Sun*, has been carrying on a crusade, and articles have appeared in it every week advocating that the Bank Act should be so altered that banks are enabled, or even forced, to make long term loans to farmers. The Canadian farming interest is not so strong in the Federal Parliament that it is sure of inserting in the Bank Act, when it comes up for revision in 1923, all that farmers would like to see it contain, nor is it likely that banks, if they were enabled to make mortgage loans, would avail themselves of any such provisions. The Government of Ontario is admittedly a farmer's Government, and intends to deal with the problem in its own way by organizing a department under the Agricultural Development Board at Toronto, one side of which will consist of a savings department run as a bank with branch offices throughout the province, and the other side will organize farm loan associations, make long term loans to farmers directly and look after the payments and renewal of long term loans, the funds for which will be provided by the savings offices.

No effort has been made to conceal the semi-socialistic character of the enterprise, which has the support of some of the farmers, the Independent Labour Party and such bodies as the G.W.V.A. (Great War Veterans' Association). This farm loan system supported by a savings bank for the people is intended to remain only one feature of more extensive legislation to better the working prospects of the farmer. It is paternalism, and it may be paternalism of the right kind. Agriculture is the principal source of wealth and the backbone of all industries in Ontario, as well as in all the other provinces of Canada. For years it has been the experience of the Government, not only that many immigrants brought out from Europe

drift back to the towns, but that, in addition, farmers' sons brought up to work on the land, partly because they have come to prefer town life, but also because farming as a livelihood apparently presents fewer opportunities than it did, take up situations in the towns at low rates of wages and sell their holdings. It is intended that the farm loan system shall keep the present generation on the soil and settle immigrants of the right kind used to hard labour and skilled in husbandry. This can only be done by enabling the right type of immigrant to purchase his property.

A system similar to that now being organized in Ontario has been in operation in Manitoba for about a year and it is said has given good results. Manitoba farmers are said to have gained considerable advantages and to be perfectly satisfied with the system. The opponents of the Ontario scheme, on the other hand, assert that the Government of Manitoba have made a very costly mistake in the administration of the scheme, and the only reason why losses have not been established has been that the loans have been allowed to run on and no effort made to collect them. For these reasons alone there have been practically no evictions.

The first concern of the Ontario Government in organizing its loan scheme has been to insure the money being forthcoming by first getting the savings offices in working order. Offices have been open about six weeks at Brantford, Hamilton, Ottawa, St. Catharines, and Woodstock. Premises have been taken and additional offices will be shortly opened in Aylmer, Belleville, Brockville, Kingston, Listowel, London, Newmarket, Peterboro, St. Mary's, Seaforth, Stratford, Walkerton. It is expected that altogether thirty-five or more offices will be open and working before the end of the year 1922.

Mr. M. E. McKenzie is at present acting as director of the main office, situated at the Veterinary College, 110, University Avenue, Toronto. The Farmers' Loan Department is under the direction of the Ontario Development Board at 5, Queen's Park, Toronto. The Director of the Savings Department is responsible to the Provincial Treasury for the organization and operation of the offices. Each local office is managed by a local manager who is usually a former bank officer. The local offices are periodically inspected by inspectors sent out from the main office. The system is in its infancy and there has, so far, been no need to appoint inspectors.

The savings offices take deposits from $1 up to an unlimited amount repayable at thirty days' notice, but normally repayable on demand. A customer receives a pass book showing each deposit and withdrawal, and his account is handled in exactly the same manner as any banking account in a bank. A cheque book is supplied to each depositor and withdrawals may be made in the usual way or cheques issued in payment of accounts. Four per cent., compounded twice a year, is allowed on all deposits whether the accounts are large or small.

One of the reasons why the postal savings department has never been a complete success has been that persons feel that they would like the assurance of being able to withdraw their money on demand in normal times. Accordingly, the Government advertises that "no notice of withdrawal is required," but it reserves the right to demand thirty days' notice of withdrawal, if at any time it sees fit to suspend the privilege of payment on demand. This power it intends to make use of only in the event of a run or other abnormal circumstances. The depositor has the full guarantee of the Ontario Government for the safety of his deposits and has no occasion to make a sudden withdrawal except to meet his business obligations.

Another reason why postal savings banks have failed to attract a large amount of deposits has been that small business men, no matter how seldom they utilize the privilege, always like to be able to draw cheques on their accounts. Like a motor-car or a sealskin coat, the ability to sign a cheque is a sign of social affluence and superiority which the small private depositor dearly cherishes. Accordingly although the offices are called "savings" offices and the accounts "savings" accounts, depositors are provided with a deposit book and cheque book just as though they banked with a commercial bank. The Royal Bank of Canada at present acts as the clearing agent and holds the central cash reserve. It is estimated that a reserve of about 10 per cent. will be sufficient. The local offices will keep a certain amount of till money to meet current withdrawals and the rest will be kept in "legal tenders" in the central reserve.

The savings offices are not intended to compete with the chartered banks for the deposits of commercial concerns, and it is figured out that it will not pay to keep an account on which more than about forty cheques a month are drawn and cashed. It is thought that the majority of depositors will not cash more than three or four cheques a month. A careful analysis of various kinds of banking accounts has been made and it is estimated that the department ought very well to pay the advertised 4 per cent. on deposits and cover its expenses, which will not be extravagant, because buildings are not being put up on the same ambitious scale that the chartered banks have built their premises. There is no maximum placed on the amount that may be taken on deposit, and an account may be opened with one dollar carrying the same checking and 4 per cent. interest facilities as an account with a larger balance. It is, of course, recognized that many of the smaller accounts will in themselves scarcely pay for their maintenance, but, at the same time, it is thought that it is well worth while to give the same facilities to the small depositor because his deposit will thereby grow and serve as an advertisement in attracting other deposits.

One reason why savings and industrial banks in other countries have failed in the past has been their inability to recruit and retain in their service a staff of trained bank managers and clerks. There is nothing very spectacular about the growth of a savings bank

usually. The number of highly paid positions is comparatively few, and promotion, from the nature of the savings bank business, is necessarily slow. The Ontario savings offices have, however, been fortunate in enlisting the services of a number of men who were formerly in the service of chartered banks. As can be imagined, there were a number of bank clerks and accountants who, on returning to Canada after the war from service overseas, were not prepared to go back to their old situations in the chartered banks, because they had not yet got used to the lack of excitement and the restrictions of an indoor life. Many of these men who, three years ago, preferred to go farming or mining, now realize that they made better fighters and bankmen than they will make farmers. They realize that farming requires skill and training, and is just as uneventful as banking. They are now anxious to return to their former profession. At the same time, during the short time they have been on the land, they have learned to respect the hardihood of the farmer and appreciate the farm loan problem from his point of view. The senior officer in the main office, 110, University Avenue, Toronto, is, for instance, a man who has had seventeen years' banking experience in the Bank of Nova Scotia. There are many other officers who have had both banking and farming experience. Since the staff of the banking and lending departments of the Agricultural Board is being recruited largely from men who have been accountants and managers in their own offices, the chartered banks have no ground for saying that the depositors' money is handled by men who have had no banking experience.

It is expected that when the system is in full working order, the deposits of the savings offices will prove more than sufficient to meet the demands of the Ontario farmers. When it has borrowed, hitherto, the Ontario Government has usually been forced to sell its bonds in New York in the open market. The supporters of the Government scheme assert that the Canadian banks, instead of lending money to local industry, prefer to lend their funds at short call in the New York market, and local industry and the farmer and the Government are accordingly placed at a disadvantage. As a consequence, the Government—or so it is asserted—has to pay unreasonably high rates of interest on its bond issues and in the past has suffered in the depreciation of Canadian funds in terms of the American dollar. It is intended to devote the surplus of the savings office funds not needed by the farmers to reduce the Government indebtedness.

The chartered banks, in opposing the Government scheme, point out that the reason why they place money at short call in New York is because no bill market and only a small stock market exist in Toronto and Montreal. Instead of taking money out of Canada to place it abroad they point out that the funds taken in by their foreign agencies and branches greatly exceed their foreign loans.

The chartered banks do not, of course, regard the Government

savings scheme with any favour. About the loaning side they are more or less indifferent, except that as taxpayers they have an interest in the money the Government is going to lose. Apart from the very natural attitude any business is entitled to take towards a department of the Government which may interfere with its business and reduce its profits, many senior bank officials take a view that nothing ought to be done by a Government which can be undertaken and is undertaken by private enterprise. Banking may, or may not, be a class of business that a Government ought to undertake. Certainly, although there is not more graft or lobbying in Canada than in other countries, it does seem dangerous to entrust the savings of the community to the management of a department run by a Government dominated by a farming interest which may utilize them to subsidize farmers by loans at unprofitable rates of interest.

The banks with perfect justice point out that they are already taxed severely by the Government. It is unfair for the Government to compete with them for deposits by offering 4 per cent. If they find they are losing deposits they will be forced to put up their deposit rate to 4 per cent., which they will be enabled to do only by charging higher rates on their loans. More than the banks, the loan companies will feel the competition of the Government savings banks. The loan companies finance themselves by taking small deposits at 3½ per cent. Although they carry on business in a small way, they have a long and honourable tradition. They took their charters in years gone by from the provincial Government on a gentleman's agreement that their business should not be interfered with. They have never had the "sacred" monopolies of the chartered banks and never made large profits. The Government is apparently now willing to squeeze them out of existence with the aid of "4 per cent. and all checking facilities."

It does seem unlikely that the savings offices will be able to pay 4 per cent. on all deposits and at the same time give all the facilities of a bank checking account. The chartered banks have never been able to do it and the times are less propitious than ever for the Government savings plan. Still, of course, the proof of the pudding is in the eating. The Government is not proposing to make a profit out of the savings offices. If any profit is made it will go to reduce the interest on farmers' or Government loans or increase the rate of interest paid to depositors. The savings banks have these points in their favour:

(*a*) They will be run on a reserve of 10 per cent., whereas the chartered banks carry about 15 per cent. The chartered banks point out that this is no advantage because the savings offices have no rights of note issue as have the chartered banks.

(*b*) The chartered banks pay 14 per cent. or so dividends while the savings banks will pay no dividends. The chartered

banks point out that in addition to their capital, they have large reserves and undisclosed reserve funds so that their real dividends do not amount to more than perhaps 4 or 5 per cent., reckoned on the amount of money they have working in their businesses.

(*c*) The savings offices will not be housed in such ambitious premises as the banks, which have a disproportionate overhead cost for rent. The chartered banks point out that they do not pay extortionate rents. Their premises are usually handled by realty companies owned by themselves, and rent is charged at a fair rate to the working costs of the banks. They insist that if the Government is going to allow the savings banks to occupy government offices and local town halls and so forth, if any fair comparison is to be made of the cost of their service with that of the banks, the savings offices should be charged with a fair rent and not have their accounts muddled in with those of the Government.

The loaning section of the Government scheme is entirely separate from the savings offices. Under the Ontario Farm Loans Act, 1921, and amending Acts of 1922, two types of loan are contemplated, the long term loan at 6 per cent. repayable on an amortization plan over twenty years, secured by mortgages on real property, and the short term loan made through specially organized farm loan associations on the borrowers' notes at a rate of interest not above 7 per cent.

For the advance of money on long term loans the Agricultural Development Board of Ontario is throughout responsible. The objects for which a loan may be raised are:

(*a*) Acquiring land for agricultural purposes.
(*b*) The erection of farm buildings essential for production.
(*c*) To pay off charges existing against land at the time of acquisition by the borrower under a will or by descent.

The Board has at present no power to lend money for discharging mortgages, but a Bill has been recently introduced and has passed two readings to remove this inability. The total amount of money that can be lent to any one person is $12,000.

The applicant must be a British subject of at least twenty-one years of age and resident in Ontario at least three years. He must have had at least three years' experience and have displayed average ability and capacity. When the scheme has been in operation some time provisions will probably be inserted to enable immigrants of the right kind to settle on the land and purchase their land freehold from the start. The applicant must be of good character and be actually engaged upon cultivating the land he proposes to mortgage. The intention of this provision is to prevent land sharks making use of the Act as a means of obtaining cheap money for land speculation.

Money is advanced at 6 per cent. up to 65 per cent. of the value

of real property hypothecated. Loan companies do not usually advance more than 50 per cent., so the farmer will here reap a considerable advantage.

Loans are repayable, principal and interest, on the amortization plan of a fixed annuity over twenty years. Thus a loan of $1,000 will be repayable by an annual payment of $87.18. The Act enables the borrower to pay off as much of the loan as he desires at any due date after the third year, so that if the borrower prospers, he can wipe out his obligation and compounded interest while he has the funds in hand.

The Agricultural Development Board has no power to make short term loans directly to farmers. For this class of loan the Act provides for the organization of farm loan associations.

The Act provides that a farm loan association may be organized in any part of Ontario. Any person may make application to have an association formed in his district and the Agricultural Development Board then sends the requisite application form, which must be signed by five responsible farmers in the district.

On receipt of the formal application, the Board names some competent person to act as secretary-treasurer to the association. The secretary-treasurer is the only paid official. He has custody of the money and deeds belonging to the association. He must give security for his honesty and deposit all funds belonging to the association with the branch of a chartered bank.

The secretary-treasurer calls a meeting of those interested. At the meeting the objects of the association are discussed and the need for its organization. The Board usually sends down a representative to clear up any technical details and attend to the legal formalities of incorporation.

Before an association may be incorporated it must have at least thirty members, all active farmers, willing to join. Only persons actively engaged in farming in the district, or persons who intend to become engaged within a year, are eligible for membership.

The capital of an association is subscribed as follows :

(*a*) One share of par value of $100 is subscribed by each member. A member may pay 10 per cent. of his stock on subscription and the balance when called for.

(*b*) Shares of the par value of $100 to the extent of one-half of the total amount subscribed by individual members is to be subscribed for by the corporations or local municipalities in the territory for which the association is formed.

(*c*) Shares of the par value of $100 each to the extent of one-half of the total amount subscribed by individual members is to be subscribed for by the Government of Ontario.

This last is rather a sore place in the scheme which its opponents are easily able to put their finger on. The purpose of the savings offices is partly to provide the Government with funds, but the first

step in the organization of the associations is to call upon the Government for a donation to the capital fund of the associations.

The shares of members may not be sold to other members or purchased by the association without the approval of the board of directors. This provision is intended to prevent an interested party nominating dummy members, purchasing their shares for them and later taking back the shares to obtain control.

The members of the association appoint the president and vice-president and one director. Two directors are appointed by the municipal corporations that have taken shares, and two are appointed by the Lieutenant of the Province in Council. Directors serve for two years, or until their successors are appointed.

Loans may be obtained for the following purposes :

(*a*) Purchase of seed, feed, fertilizer, and other supplies.
(*b*) Purchase of implements and machinery.
(*c*) Purchase of cattle, horses, sheep, pigs and poultry.
(*d*) Payment of cost of carrying on any farming, ranching, dairying, or other agricultural operations.
(*e*) Payment of cost of preparing land for cultivation.
(*f*) Fire or life insurance where required in the opinion of the directors as collateral for a loan made for any of the above-mentioned purposes.

Loans are at present limited to $1,000, but a Bill is before Parliament which will increase the limit to $2,000. Application for a loan has to be made on a prescribed form, stating the sum required and the purpose for which it is needed. The application is addressed to the secretary-treasurer of the association and laid by him before the directors at their monthly meeting. The directors may modify the application, in which case a new application must be made out. Loans are payable by December 31st, in the year in which they are made. They may be renewed, but not for longer than one year after the orginal maturity of the loan. The rate of interest must not be more than 7 per cent. After the application has been passed by the directors, the secretary-treasurer takes as security the notes of the applicant and endorses them over to a bank or other party, who is authorized to make the advance and is guaranteed its payment by the association. The rate of interest charged by the lender must not exceed 7 per cent., of which one-seventh is returned by the lender to the association. It is contemplated that this interest allowance will be sufficient to meet the expenses of the association, which will not amount to much beyond the cost of stationery and the secretary-treasurer's salary.

The association has a lien on the personal property of every kind of the borrower which he buys with the proceeds of the loan. The association is not obliged to evidence its lien in any deed of title. To prevent persons who have no notice of the loan being defrauded, any *bona fide* person interested in the financial position of the bor-

rower may apply for and be given information of any lien which the association holds on his property. The association can also establish its lien on any other personal property of the borrower by filing with the clerk of the county or district in which is situated the land of the borrower, a certificate evidencing the hypothecation.

The lender, either a person or a bank chosen by the association, makes the advance on the guarantee of the association. In the event of non-payment of the loan, the lender gives notice to the association and the association honours its guarantee and repays the lender the advance. The association then succeeds to all the equities of the lender and in the event of the borrower's insolvency may apply to a county court judge for an order to place itself in possession of any property of the borrower to which its lien attaches. The lender is not obliged to see that the borrower devotes the loan to the purposes mentioned in his application. The restraint of property and eviction of the borrower from his land is a duty which must be undertaken by the association, subject to the approval of the Board. This is said to be a weak point in the system. It is pointed out that a president, vice-president and director chosen by member farmers, and directors appointed by a local municipality, are hardly likely to evict one of their own kith and kin, no matter what the director appointed by the Lieutenant in Council may be inclined to do.

Every lender is obliged to render a return to the Agricultural Development Board of all borrowers it has on its books under the guarantee of associations, and the Development Board audits all records.

The system is intended to help the farmer where facilities do not exist, or safeguard him against exorbitant rates of interest being charged where loan companies and suchlike facilities do exist. The Board in its explanatory pamphlets points out that no loan should be given or asked unless it is to be used in some productive way. The Board in its pamphlets explaining to farmers how to set about forming associations, warns them that the scheme is not intended to provide them with cheap money : farmers are not to be encouraged to run into debt from which it will take years to extract themselves. " There are many times in the experience of carrying on farming operations when the use of a few dollars would give employment to more labour and yield a very excellent return. It is to serve such cases as this that this legislation is brought into existence, and it is hoped that it will be taken advantage of in this spirit by the local associations upon which the powers of the Act are largely conferred."

Such is the scheme. Before we give any definite opinion as to its value we must " wait and see."

Changes in Food Consumption among Working-Class Families

By Emma A. Winslow,
Lecturer, Columbia University, New York. Research Student, London School of Economics, 1921-2.

What is the effect upon habits of food consumption when food prices change rapidly and in varying degree? What happens when wages increase and there is more money available for the purchase of more expensive food when desired? If voluntary or compulsory adjustments are made under the pressure of food shortage, as was the case during the war, is there likelihood of a temporary or a permanent change in food customs? Is the nutritive value of the family dietary kept usually in close relationship to the nutritive requirements of the family? Or is there danger that the balance will be upset by changing conditions so that defective nutrition may result?

Certain information as the basis for reply to these and similar questions may be secured from a comparison of data on food consumption in studies of living costs at different periods, especially those made recently in Great Britain where possible causes of variation have been present to a marked degree.

Three such investigations are available for comparison. An extensive inquiry was made by the Board of Trade in the summer of 1904, and the published report gives considerable information about food consumption in 1,944 families of varying type living in different parts of Great Britain. Upon this investigation is based the system of weights used by the Ministry of Labour in the computation of its index number of changes in food costs, with the exception that special allowance is made for the increase in the consumption of margarine since 1904.

In 1918 the Working Classes Cost of Living Committee reached certain conclusions concerning changes between 1904 and 1914 as indicated by various private inquirers and by statistics of production, export and import of foodstuffs. While these figures are not exactly comparable with figures based on reports of individual families, they have been used in the present study because of the importance of measuring later changes from the best possible information about conditions in 1914.

This Committee collected much information also about living costs in 1918, and presents in its report (Cd. 8980) a detailed summary of the food consumption in 1,206 families. In 231 families the man was away on military service; these records have been omitted in the comparisons with expenditures at other dates. Ireland was

not included in the investigation, but otherwise there was little difference from the method followed in the collection of the 1904 budgets.

The most recent, and also the least extensive, study of living costs is that conducted in 1920 by a Joint Committee of the Parliamentary Committee of the Trades Union Congress and of other labour organizations. The main purpose of this investigation was to determine whether living standards had changed to such an extent since 1904 that the index number of the Ministry of Labour was no longer an accurate measurement of changes in living costs among working-class families. Because of the frequency with which wage scales are adjusted now in accordance with changes in this index number, it was felt that any lack of accuracy had wide social significance, and much interest has been aroused by the published finding of an actual increase of 189 per cent. since 1914 as against the increase of 161 per cent. shown by the index number of the Ministry of Labour. The increase in food costs was 176 per cent. as against the official estimate of 167 per cent. The evidence in the budgets does not warrant these conclusions, as shown by Professor Bowley in an article in *The Economic Journal* for September, 1921, but the detailed material on food expenditure has much value in comparisons with the earlier investigations.

Through the courtesy of Mr. R. H. Tawney and Mr. Arthur Greenwood access was obtained to part of the original schedules and the comparisons here presented are some of the results of further analysis carried out as research work under the direction of Professor Bowley at the London School of Economics.

Report will be made first upon present customs in food consumption as indicated by the schedules collected by the labour organizations in 1920. A considerable number of the schedules received had to be excluded because of a lack of essential details concerning food quantities and costs. A very small number was also excluded where meals were purchased regularly away from home, as it was felt that this prevented accurate knowledge concerning total quantities of different foods consumed. In the end only 212 schedules were used in place of the 629 schedules summarized in the published report from the Trades Union Congress. The comparatively slight difference between the averages in the smaller and larger group is indicated by the following statement:

	212 families.	629 families.
Average number of persons ..	5·13	5·24
Average weekly expenditure ..	£5 16 7	£5 15 9
Average food expenditure	£2 17 10¾	£2 19 4½

In both groups were families living in England, Ireland, Scotland and Wales, in rural districts, villages, towns, and cities. There were clerical and professional workers as well as many types of skilled, semi-skilled, and unskilled workers, and the occupations seemed similar in range to the occupations as reported for the previous in-

vestigations. Although the group is small and with little homogeneity except active interest in the purpose of the inquiry, it proved to have sufficient similarity in its food expenditures to warrant careful study of the tendencies revealed.

The food cost per unit in each family was first studied. The range was from 6s. per unit per week to 31s., with the average at 14s. $1\frac{1}{2}$d.$\pm 3\frac{1}{2}$d.[1] The unit calculations were based on the following scale:

Male, over 14 years, 1; female, over 14 years, ·83; children, 10-14 years, ·83; children, 6-10 years, ·70; children under 6 years, ·50.

This is the one recommended by the Inter-Allied Scientific Food Commission, and was used in the calculations of the food cost per unit by the Cost of Living Committee in 1918.

The average number of units in a family was $4 \cdot 10 \pm \cdot 10$. The total expenditure per week was £5 16s. 7d.$\pm$2s. 8d., and the food expenditure was £2 17s. $10\frac{3}{4}$d.$\pm$1s. $3\frac{3}{4}$d., or 49·7 per cent. of the total expenditure.

The following correlations were found for the 212 families:

Total family expenditure and number of units	..+·533
Family food expenditure and number of units	..+·647
Total expenditure and food cost per unit ..	..+·466
Food cost per unit and number of units ..	..−·518

This shows plainly how much the food cost per unit is influenced negatively by the size of the family, and how close is the positive relationship between number of units and food expenditure and total expenditure. Unless variations in size of family are taken into account in comparing the figures obtained in various studies of living costs, it would seem difficult to arrive at accurate results, for the unit cost for food will be higher if the units are few and *vice versa*. In making certain comparisons in this report the following equation has been used which is based on the above correlation between number of units (x) and total food expenditure (y):

$$y = 8 \cdot 48x + 23 \cdot 13 \text{ (shillings)}$$

If y represents the food cost per unit, the equation is

$$y = 21 \cdot 54 - 1 \cdot 60x \text{ (shillings)}$$

[1] (*a*) The standard deviation of the average is calculated according to the formula $\frac{\sigma}{\sqrt{n}}$

(*b*) Otherwise, 14s. $11\frac{3}{4}$d. is the average of the 212 sums obtained by dividing the expenditure of each family by the number of units in it; it is these sums which are correlated with the numbers of units and this average is involved in the regression equation. If, however, the whole amount spent by the 212 families is divided by the total number of units in these families, a smaller average, viz., 14s. $1\frac{1}{2}$d., is obtained; the difference is due to the fact that a smaller amount per unit is spent in the larger families. Each average has its use and both are given in Table III; the former is called "Family Expenditure per unit," the latter "General Expenditure per unit."

The next step in the study of the schedules was an effort to discover the relationship between differences in food costs per unit and the quantities and kinds of foods used. The schedules were divided into these four groups according to weekly food cost per unit:

Group I—18 schedules at less than 10 shillings.
Group II—98 schedules from 10 to 15 shillings.
Group III—66 schedules from 15 to 20 shillings.
Group IV—30 schedules at 20 shillings or more.

The foods were grouped according to their function in nutrition.

A—Foods rich in protein:
1. Meat, fish, eggs, dried beans and pease.
2. Cheese, milk.

B—Foods rich in starch:
Bread, flour, biscuits and cakes; oatmeal, rice, etc.

C—Foods rich in mineral salts:
Potatoes; other vegetables; fresh fruit; dried fruit.

D—Foods rich in fat:
Butter, margarine, lard, suet.

E—Foods rich in sugar:
Sugar, syrup, marmalade and jam, "sweets."

F—Beverages and miscellaneous foods:
Tea, coffee, cocoa, salt, pepper, yeast, etc.

In Table I will be found full information concerning the average quantity, expenditure, and price as reported per family per week for the various foods and the variations in relation to differences in unit cost. As the average number of units in these different cost groups varied considerably, as already indicated, a more significant statement is that in Table II, where the facts are presented per unit instead of per family. (See Table I, pp. 260-261.)

In Table III are the standard deviations, the deviations from the average, and the correlations of variations for various items descriptive of the entire group and of Group II with its more unified food cost per unit. Here also are statements with reference to the variation in the quantities of the more important foods and with reference to the total expenditure for the different food groups. (See Table II, page 262; Table III, p. 263.)

These tables show quite plainly the lines of expansion and contraction as the food cost per unit increases or decreases. Information concerning change in nutritive value according to unit cost will be found in Table VII.

A study was also made of the frequency with which the various foods were used in the different cost groups, to search for the cause of the large deviation from many of the averages. Beef, mutton, potatoes, tea, sugar, fresh milk, flour, bacon or ham, and margarine were reported by nearly all the families with little difference whether their food expenditure were large or small. More than three-fourths of the families also reported the use of cheese, fresh vegetables

TABLE I—1920 INVESTIGATION

AVERAGE PRICE AND AVERAGE QUANTITY AND EXPENDITURE PER FAMILY PER WEEK

Grouped according to Food Cost per Week per Unit

	QUANTITY. Groups of Expenditure.					PRICE. Groups of Expenditure.					EXPENDITURE. Groups of Expenditure.				
	Under 10s.	10s. and under 15s.	15s. and under 20s.	Over 20s.	ALL.	Under 10s.	10s. and under 15s.	15s. and under 20s.	Over 20s.	ALL.	Under 10s.	10s. and under 15s.	15s. and under 20s.	Over 20s.	ALL.
A 1.	lb.	lb.	lb.	lb.	lb.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Beef, etc....	5·98	5·09	5·07	4·67	5·11	1 5	1 9¼	2 0	2 1¾	1 10½	8 0¼	8 11¼	10 2½	9 11½	9 5¼
Bacon, ham	·77	1·46	1·71	1·57	1·50	2 7¼	2 4¾	2 7¾	2 11½	2 7	2 0	3 6	4 6½	4 8½	3 10½
Other meat	—	—	—	—	—	—	—	—	—	—	1 3¾	1 3	1 2¼	1 8	1 3½
Fresh fish	—	—	—	—	—	—	—	—	—	—	0 9	1 0¾	1 8¼	2 1½	1 4½
Dried fish	—	—	—	—	—	—	—	—	—	—	0 1¾	0 2¾	0 2¾	0 3¼	0 2¼
Eggs (each)	6·04	6·46	10·72	9·96	8·25	0 4¼	0 4½	0 4½	0 5	0 4½	2 2½	2 5¾	4 2¼	4 1	3 2¾
Egg subst.	—	—	—	—	—	—	—	—	—	—	0 1	0 1	0 1	0 3	0 1½
Dried beans	0·15	0·22	0·29	0·28	0·25	0 6½	0 7¼	0 7¾	0 7	0 7¼	0 1	0 1¾	0 2¼	0 2	0 2¾
A 2.															
Cheese ...	0·61	0·74	0·75	0·77	0·74	1 9	1 0¾	1 11	1 8	1 0¾	1 0¾	1 4¼	1 5¼	1 3¼	1 4
Milk (pts.)	10·08	11·46	10·90	12·04	11·24	0 3¾	0 4	0 4	0 4¼	0 4	2 11½	3 8½	3 7½	4 2¼	3 8
Cond. milk	—	—	—	—	—	—	—	—	—	—	0 11½	0 8½	0 11¼	0 11	0 10
Dried milk	—	—	—	—	—	—	—	—	—	—	0 2½	0 4¾	—	0 3	0 2¾
B.															
Bread ...	27·75	19·10	14·78	16·10	18·07	0 3¼	0 3¼	0 4	0 3¼	0 3¼	7 8¾	5 2¾	4 4½	4 3½	5 0½
Flour ...	10·17	11·81	10·84	5·09	10·50	0 3½	0 3¼	0 3	0 4	0 3¼	2 11¼	3 2	2 8¾	1 11½	2 10
Cakes, etc.	—	—	—	—	—	—	—	—	—	—	0 6¾	0 11¼	1 2	2 2	1 1¾
Rice, etc....	1·01	1·58	1·39	1·34	1·44	0 7¾	0 7¼	0 8	0 10	0 8	0 7¾	0 11	1 0	1 1¾	0 11½

TABLE I—1920 INVESTIGATION—*contd.*

AVERAGE PRICE AND AVERAGE QUANTITY AND EXPENDITURE PER FAMILY PER WEEK

Grouped according to Food Cost per Week per Unit

	QUANTITY. Groups of Expenditure.					PRICE. Groups of Expenditure.					EXPENDITURE. Groups of Expenditure.				
	Under 10s.	10s. and under 15s.	15s. and under 20s.	Over 20s.	ALL.	Under 10s.	10s. and under 15s.	15s. and under 20s.	Over 20s.	ALL.	Under 10s.	10s. and under 15s.	15s. and under 20s.	Over 20s.	ALL.
C.	lb.	lb.	lb.	lb.	lb.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Potatoes ...	23·52	18·96	16·08	13·91	17·74	0 $1\frac{1}{2}$	0 $1\frac{3}{4}$	0 $1\frac{3}{4}$	0 $1\frac{3}{4}$	0 $1\frac{3}{4}$	3 $0\frac{1}{2}$	2 8	2 $4\frac{3}{4}$	1 $11\frac{1}{2}$	2 $6\frac{1}{4}$
Vegetables	—	—	—	—	—	—	—	—	—	—	1 5	1 7	2 3	2 $10\frac{3}{4}$	1 $11\frac{1}{2}$
Fresh fruit	—	—	—	—	—	—	—	—	—	—	0 $2\frac{1}{2}$	0 $6\frac{1}{2}$	0 $9\frac{1}{4}$	1 $7\frac{3}{4}$	0 9
Dried fruit	0·57	0·77	1·03	1·26	0·91	1 2	1 2	1 1	1 $0\frac{1}{4}$	1 $1\frac{1}{4}$	0 8	0 $10\frac{3}{4}$	1 $1\frac{1}{4}$	1 $3\frac{1}{4}$	1 0
D.															
Butter ...	0·34	0·70	1·14	1·18	0·87	2 $9\frac{1}{2}$	3 5	3 $6\frac{1}{2}$	3 $0\frac{1}{4}$	3 $6\frac{1}{4}$	0 $11\frac{1}{2}$	2 $4\frac{3}{4}$	4 $0\frac{3}{4}$	4 5	3 1
Margarine	2·78	1·81	1·10	1·15	1·58	1 $1\frac{1}{4}$	1 $2\frac{1}{4}$	1 $3\frac{1}{4}$	1 $3\frac{3}{4}$	1 $2\frac{1}{2}$	3 $0\frac{1}{2}$	2 $1\frac{3}{4}$	1 $4\frac{3}{4}$	1 6	1 $10\frac{3}{4}$
Lard, suet	0·50	0·85	0·95	0·93	0·86	1 $4\frac{1}{4}$	1 8	1 7	1 $5\frac{1}{2}$	1 $7\frac{1}{4}$	0 8	1 $5\frac{1}{4}$	1 6	1 $4\frac{1}{4}$	1 $4\frac{1}{2}$
E.															
Sugar ...	4·61	3·95	3·11	2·72	3·57	1 2	1 2	1 2	1 $2\frac{1}{4}$	1 2	5 $3\frac{3}{4}$	4 $7\frac{1}{2}$	3 $7\frac{3}{4}$	3 $3\frac{1}{4}$	4 $2\frac{1}{4}$
Syrup ...	0·47	0·47	0·44	0·35	0·44	1 2	1 1	1 3	1 $4\frac{1}{2}$	1 2	0 $6\frac{1}{4}$	0 6	0 $6\frac{1}{2}$	0 $5\frac{3}{4}$	0 $6\frac{1}{4}$
Jam, etc....	1·07	1·40	1·29	1·95	1·36	1 2	1 5	1 8	1 8	1 $6\frac{1}{4}$	1 3	2 0	2 $2\frac{1}{4}$	2 $7\frac{3}{4}$	2 1
F.															
Tea ...	0·73	0·66	0·64	0·65	0·66	2 $8\frac{3}{4}$	3 $0\frac{3}{4}$	3 $0\frac{1}{4}$	3 $2\frac{1}{4}$	3 $0\frac{1}{4}$	2 0	2 $0\frac{1}{4}$	1 $11\frac{1}{4}$	2 1	2 0
Coffee ...	—	—	—	—	—	—	—	—	—	—	0 $0\frac{3}{4}$	0 2	0 $2\frac{3}{4}$	0 $4\frac{1}{4}$	0 $2\frac{1}{2}$
Cocoa ...	—	—	—	—	—	—	—	—	—	—	0 4	0 $5\frac{3}{4}$	0 $4\frac{3}{4}$	0 $4\frac{3}{4}$	0 5
Miscel. ...	—	—	—	—	—	—	—	—	—	—	0 2	0 $0\frac{3}{4}$	0 $1\frac{1}{2}$	0 $4\frac{1}{4}$	0 $1\frac{1}{2}$
Total ...	—	—	—	—	—	—	—	—	—	—	£2/11/0$\frac{1}{4}$	£2/15/7$\frac{1}{2}$	£3/0/1$\frac{1}{2}$	£3/4/1$\frac{1}{2}$	£2/17/10$\frac{3}{4}$

TABLE II—1920 INVESTIGATION

AVERAGE QUANTITY AND EXPENDITURE PER UNIT PER WEEK

Grouped according to Food Cost per Unit

	QUANTITY. Groups of Expenditure.					EXPENDITURE. Groups of Expenditure.				
	Under 10s.	10s. and under 15s.	15s. and under 20s.	Over 20s.	ALL.	Under 10s.	10s. and under 15s.	15s. and under 20s.	Over 20s.	ALL.
	lb.	lb.	lb.	lb.	lb.	s.	s.	s.	s.	s.
A 1.										
Beef, etc....	1·01	1·11	1·42	1·67	1·24	1·44	1·97	2·86	3·56	2·32
Bacon, ham	0·13	0·32	0·48	0·56	0·36	0·34	0·78	1·27	1·68	0·94
Other meat	—	—	—	—	—	0·22	0·28	0·33	0·60	0·32
Fresh fish	—	—	—	—	—	0·13	0·23	0·47	0·75	0·33
Dried fish	—	—	—	—	—	0·02	0·05	0·06	0·11	0·06
Eggs (each)	1·02	1·43	3·01	3·56	2·01	0·37	0·55	1·18	1·45	0·78
Egg subst.	—	—	—	—	—	0·01	0·02	0·02	0·09	0·03
Dried beans	0·02	0·05	0·08	0·10	0·06	0·01	0·03	0·05	0·06	0·04
A 2.										
Cheese ...	0·10	0·16	0·21	0·28	0·18	0·18	0·30	0·40	0·46	0·33
Milk (pts.)	1·70	2·53	3·36	4·30	2·74	0·50	0·82	1·01	1·49	0·90
Cond. milk	—	—	—	—	—	0·16	0·16	0·26	0·33	0·20
Dried milk	—	—	—	—	—	0·03	0·08	0·00	0·09	0·06
B.										
Bread ...	4·69	4·22	4·15	5·75	4·41	1·30	1·15	1·23	1·54	1·23
Flour ...	1·72	2·61	3·04	2·03	2·56	0·49	0·70	0·77	0·70	0·69
Cakes, etc.	—	—	—	—	—	0·09	0·20	0·33	0·77	0·28
Cereals ...	0·17	0·35	0·39	0·48	0·35	0·11	0·21	0·28	0·40	0·23
C.										
Potatoes ...	3·97	4·19	4·51	4·97	4·32	0·51	0·59	0·67	0·70	0·61
Vegetables.	—	—	—	—	—	0·24	0·35	0·63	1·03	0·48
Fresh fruit	—	—	—	—	—	0·03	0·12	0·22	0·59	0·18
Dried fruit	0·10	0·17	0·29	0·45	0·22	0·11	0·20	0·31	0·45	0·24
D.										
Butter ...	0·06	0·15	0·32	0·42	0·21	0·16	0·53	1·14	1·58	0·75
Margarine .	0·47	0·40	0·31	0·41	0·37	0·51	0·47	0·39	0·54	0·46
Lard, suet .	0·08	0·19	0·27	0·33	0·21	0·11	0·32	0·42	0·49	0·34
E.										
Sugar ...	0·78	0·87	0·87	0·97	0·87	0·90	1·02	1·02	1·17	1·02
Syrup ...	0·08	0·10	0·12	0·12	0·11	0·09	0·11	0·16	0·17	0·13
Jam, etc....	0·18	0·31	0·36	0·57	0·33	0·21	0·44	0·61	0·95	0·51
F.										
Tea ...	0·12	0·15	0·18	0·23	0·16	0·34	0·45	0·54	0·74	0·49
Coffee ...	—	—	—	—	—	0·01	0·04	0·06	0·12	0·05
Cocoa ...	—	—	—	—	—	0·06	0·10	0·11	0·15	0·10
Miscel. ...	—	—	—	—	—	0·03	0·01	0·03	0·13	0·03
Total ...	—	—	—	—	—	8·76	12·28	16·87	22·88	14·12

TABLE III—1920 INVESTIGATION

VARIATIONS IN QUANTITY AND EXPENDITURE AND IN FAMILY SIZE

	GROUP II. 98 Families. Unit Cost, 10s-15s.				ALL FAMILIES.			
	Average.	Standard deviation of group σ	Standard deviation of average $\sigma/\sqrt{n}$	Coefficient of variation.	Average.	Standard deviation of group σ	Standard deviation of average $\sigma/\sqrt{n}$	Coefficient of variation.
Total expenditure	111·25s.	29·72s.	3·002s.	26·6	116·58 s.	38·83 s.	2·667 s.	33·3
Food expenditure	55·61 s.	15·37 s.	1·552 s.	27·7	57·90 s.	19·09 s.	1·311 s.	32·8
General Food cost per unit	12·28 s.	1·34 s.	0·135 s.	10·9	14·12 s.	4·18 s.	0·287 s.	29·5
Persons per fam.	5·67	1·54	0·156	27·2	5·13	1·92	0·132	37·4
Units per family	4·53	1·27	0·128	28·0	4·10	1·46	0·100	35·5
Family Food cost per unit	12·34 s.	1·34 s.	0·135 s.	10·8	14·98 s.	4·38 s.	0·301 s.	29·3
Pounds of food per week per family :								
Beef, etc. ...	5·09	2·52	0·254	49·4	5·11	2·54	0·174	49·7
Bacon, ham ...	1·46	1·26	0·127	86·3	1·50	1·14	0·078	75·9
Eggs (each) ...	6·46	6·02	0·608	93·2	8·25	8·03	0·551	97·3
Milk (pints) ...	11·46	5·99	0·605	52·3	11·24	6·39	0·439	56·8
Bread	19·10	16·34	1·651	85·6	18·07	15·20	1·042	84·4
Flour	11·81	11·14	1·125	94·2	10·50	10·96	0·752	104·4
Potatoes ...	18·96	10·49	1·059	55·4	17·74	9·94	0·683	56·0
Butter ...	0·70	0·65	0·065	92·1	0·87	0·87	0·060	101·8
Margarine ...	1·81	1·19	0·120	65·5	1·58	1·20	0·082	76·2
Sugar	3·95	1·43	0·144	36·3	3·57	1·52	0·104	42·6
Tea	0·66	0·30	0·031	46·0	0·66	0·34	0·023	51·1
Expenditure per week per fam.:	s.	s.	s.		s.	s.	s.	
GRP.								
A1. Meat, etc.	17·68	6·48	0·654	36·6	19·69	9·68	0·665	49·2
A2. Milk, cheese	6·15	2·66	0·269	43·2	6·08	2·64	0·181	43·4
B. Bread, etc.	10·26	4·25	0·429	41·4	9·98	4·94	0·339	49·5
C. Veg., fruit	5·70	2·54	0·256	44·5	6·22	3·00	0·206	48·2
D. Butter, etc.	5·97	2·71	0·273	45·3	6·36	3·51	0·241	55·2
E. Sugar, etc.	7·13	3·34	0·344	46·8	6·83	3·21	0·220	47·0
F. Tea, etc. ...	2·74	1·07	0·108	39·8	2·74	1·13	0·077	42·4
Expenditure per week per unit :								
GRP.								
A1. Meat, etc.	3·90	1·13	0·114	29·0	4·81	2·06	0·142	42·9
A2. Milk, cheese	1·36	0·53	0·054	39·0	1·48	0·75	0·051	50·4
B. Bread, etc.	2·27	0·47	0·048	20·7	2·44	0·88	0·060	36·0
C. Veg., fruit	1·26	0·62	0·063	49·2	1·52	0·97	0·067	64·0
D. Butter, etc.	1·32	0·47	0·048	35·6	1·55	0·80	0·055	51·4
E. Sugar, etc.	1·57	0·44	0·045	28·0	1·67	0·61	0·042	36·4
F. Tea, etc. ...	0·59	0·34	0·034	57·6	0·66	0·33	0·023	51·1

cereals, lard, eggs, dried fruit, jam or marmalade, butter, bread, and fresh or tinned fish ; with these foods (except bread, which was used with almost the same frequency in all groups) there was a regular increase in frequency from the least expensive to the most expensive group. Of the foods used less frequently, cake or biscuits, syrup, fresh or tinned fruit, and coffee were used much more often with the higher unit costs, but the others showed little tendency to change in frequency. Under a cost of ten shillings per unit per week there was limited variety, but above this variations in price and quantity seemed much more important than variations in kinds of food used.

In Table IV will be found a comparison of the food quantity and expenditure per week per family as found in 1904, 1914, 1918 and 1920. The size of the family is taken throughout as 4·37 units (the size of the family in the 1904 study), adjustment having been made proportionately for the family of 4·21 units in the 1918 study, and for the family of 4 10 units in the 1920 study. In the 1920 adjustment use can be made also of the regression equation discussed above. If this were used in place of the increase being calculated on the basis of the ratio between 4·10 and 4·37, the weekly food cost per family would be £3 0s. 2¼d. instead of £3 1s. 8d. With the larger family the food cost per unit is 14s. 6½d. by use of the equation instead of 14s. 11¾d. (See Table IV, p. 265.)

The figures used for 1918 are a weighted average of those given in the report of the Cost of Living Committee for clerks and for "working classes." With the clerks the average size of family is 3·7 units and with the others it is 4·57 units, making an average for the entire group of 4·21 units. As correlation figures and standard deviations are not available for these 1918 figures, it has not been possible to work out regression equations as the basis for the change to the standard family of 4·37 units.[1] If the latter change be made, however, proportionately to the amount of change in the 1920 figures, the food cost for 4·37 units would be £2 4s. 7d. instead of £2 5s. 3d.

Table V shows the change in quantity, price and expenditure for the more important foods in comparison with 1914. This table shows even more plainly than Table IV that many adjustments have been taking place since 1904, but that the tendency in 1920 has been to return to the earlier standards of consumption rather than to increase further the marked divergences indicated in 1918. Margarine, however, is being used much more than at the close of the war, and condensed milk has maintained the increase in consumption found at that time. The consumption of rice, oatmeal and other cereals seems to be considerably reduced from the pre-war and war standard. Much less butter and sugar are being used, doubtless because of the increase in the use of margarine and syrup. (See Table V, p. 266.)

Irregularity in price increase seems to have some effect in causing

[1] See note at end of article.

TABLE IV

WEEKLY FOOD CONSUMPTION AND EXPENDITURE AT DIFFERENT PERIODS PER FAMILY OF 4·37 UNITS

	QUANTITY.				EXPENDITURE.			
	1904.	1914.	1918.	1920.	1904.	1914.	1918.	1920.
	lb.	lb.	lb.	lb.	s. d.	s. d.	s. d.	s. d.
A 1.								
Beef, etc....	6·50	6·50	3·73	5·41	4 5½	4 8	5 11	10 0¾
Bacon, ham	1·38	1·15	2·40	1·60	0 11½	1 1¼	5 3	4 1¾
Other meat	—	—	0·96	1·0	0 6¼	1 0	1 3½	1 4½
Fresh fish	—	—	—	—	0 5½			1 5½
Dried fish	—	—	—	—	—	—	1 8½	0 3
Eggs (each)	—	10·00	8·60	8·80	1 0	1 0¼	2 11½	3 5
Egg subst.	—	—	—	—	—	—	—	0 1½
Dried beans	—	—	—	0·27	—*	—*	—	0 2
A 2.								
Cheese ...	0·83	0·80	0·39	0·79	0 6½	0 7¼	0 7¾	1 5
Milk (pts.)	9·91	8·80	11·70	11·98	1 3¼	1 3½	2 11	3 10
Cond. milk (cans)	—	0·30	0·60	0·63	—	0 1¼	0 7¾	0 10½
Dried milk	—	—	—	—	—	—	—	0 3
B.								
Bread	32·04	32·00	24·28	19·26	2 6¾	4 0¼	4 0¾	5 4½
Flour			8·03	11·20	1 0¼		1 10	3 0¼
Cakes, etc.	—	—	—	—	—	0 5½	1 1	1 2½
Rice, etc....	2·95	2·53	2·58	1·54	0 6	0 6½	1 1½	1 0¼
C.								
Potatoes ...	16·92	14·90	18·92	18·92	0 11	0 10¾	1 11½	2 8¼
Vegetables.	—	—	—	—	0 11	0 6½	1 1	2 1¼
Fresh fruit	—	—	—	—		0 5	0 3¾	0 9½
Dried fruit	0·70	—	—	0·97	0 2¾	—[1]	—	1 0¾
D.								
Butter ...	1·96	1·62	0·75	0·93	2 1½	1 11½	1 10½	3 3½
Margarine	—	0·40	0·86	1·68	—	0 2½	0 10½	2 0¼
Lard, suet	0·98	0·98	0·75	0·92	0 7	0 7	1 1¾	1 5¾
E.								
Sugar ...	5·31	5·60	2·66	3·81	0 11¾	1 0½	1 6¾	4 5½
Syrup ...	—	—	0·68	0·47	0 6½	0 1	0 7	0 6¾
Jam, etc....	—	—	1·55	1·45		0 5	1 4¾	2 2½
F.								
Tea	0·60	0·65	0·49	0·70	1 1½	1 2	1 5¾	2 1¾
Coffee		0·09	0·11	0·10	0 3¾	0 1½	0 2¾	0 2¾
Cocoa ...	0·22	0·17	0·22	0·18		0 3½	0 7	0 5½
Miscel. ...	—	—	—	—		0 10	1 6	0 2
Meals out	—	—	—	—	1 5¾	0 5½	1 2¼	—
Total ...	—	—	—	—	£1/2/6	£1/3/10	£2/5/3	£3/1/8

[1] Included in miscellaneous foods.

TABLE V

FOOD QUANTITY, EXPENDITURE AND PRICE EXPRESSED AS RATIO TO 1914 VALUES

	Summer, 1904.			June, 1918.			September, 1920.		
	Qty.	Expenditure.	Price.	Qty.	Expenditure.	Price.	Qty.	Expenditure.	Price.
Beef, etc....	1·00	0·96	0·96	0·57	1·27	2·23	0·83	2·15	2·59
Bacon, ham	1·20	0·87	0·73	2·09	4·77	2·28	1·39	3·76	2·71
Eggs ...	1·00	0·98	0·98	0·86	2·90	3·37	0·88	3·35	3·80
Cheese ...	1·04	0·90	0·87	0·49	1·07	2·18	0·99	2·37	2·39
Milk, fresh	1·13	1·00	0·89	1·33	2·26	1·70	1·36	2·97	2·18
Milk, cond.	—	—	—	2·00	6·40	3·20	2·10	8·70	4·14
Bread, flour	1·00	0·81	0·81	1·01	1·47	1·46	0·95	2·09	2·20
Rice, etc....	1·17	0·93	0·79	1·02	2·07	2·03	0·61	1·89	3·10
Potatoes ...	1·13	1·02	0·90	1·27	2·18	1·72	1·27	2·99	2·35
Butter ...	1·21	1·08	0·90	0·46	0·95	2·06	0·57	1·68	2·94
Margarine	—	—	—	2·15	4·40	2·05	4·20	10·10	2·40
Lard ...	1·00	1·00	1·00	0·77	1·99	2·54	0·94	2·55	2·71
Sugar ...	0·95	0·94	0·99	0·48	1·52	3·16	0·68	4·28	6·29
Tea ...	0·93	0·96	1·03	0·75	1·26	1·68	1·08	1·83	1·69
Coffee }	0·85	1·07	1·26	1·22	1·92	1·57	1·11	1·92	1·73
Cocoa }				1·29	2·00	1·55	1·06	1·59	1·50
Other food	—	1·07	—	—	2·49	—	—	2·26	—

TABLE VI

PROPORTIONAL DIVISION OF FOOD EXPENDITURE AT DIFFERENT PERIODS

	A 1. Meat, etc.	A 2. Milk, Cheese.	B. Bread, etc.	C. Veg., Fruit.	D. Butter, etc.	E. Sugar, etc.	F. Tea, etc.
	%	%	%	%	%	%	%
1904 Budgets ...	34·1	8·1	18·5	9·4	12·3	6·9	10·9
1914 Adjustm'ts	34·0	8·6	21·6	10·5	11·8	6·6	6·8
1918 Budgets ...	39·2	9·5	18·4	9·6	8·7	8·2	6·3
1920 Budgets[1]:							
Group I. ...	29·1	10·0	22·9	10·3	9·1	13·7	5·0
Group II ...	31·8	11·1	18·4	10·3	10·7	12·8	5·0
Group III...	37·1	9·8	15·4	10·9	11·6	10·7	4·4
Group IV...	36·3	10·3	14·9	11·9	11·4	10·1	5·0
All Budgets	34·1	10·3	17·2	10·8	11·0	11·8	4·8
Weights of Ministry of Labour	35·6	10·5	21·0	5·4	15·3	5·7	6·5

[1] The 1920 Budgets are grouped according to the weekly food cost per unit. Group I includes those under 10s., Group II 10s. to 15s., Group III 15s. to 20s., Group IV, 20s. and more.

quantity adjustment, but less than would be expected. For instance, the increase in bacon consumption is marked in both 1918 and 1920, and yet it is one of the foods with a large increase in price. Lard increased in price in 1918 more than butter, but the change in the quantity consumed was much less ; although high in price in 1920, it is approaching the 1914 standard of consumption while butter is still far below. Sugar is twice as high in price as in 1918, but almost half as much again is being used. Eggs have increased greatly in price and yet almost the same quantity has been used at each period.

Although there has been so much change with reference to individual items, the proportionate expenditure upon the different types of food has been remarkably similar, as will be seen from Table VI. Again the close relationship between the 1904 and 1920 standards is evident. (See Table VI, p. 266.)

The ratio of expenditure at two dates can be obtained, (*a*) by taking the quantities consumed at the first date and pricing them successively at the prices of the two dates, or (*b*) by taking the quantities consumed at the second date and pricing them at the prices of the two dates.[1] The Ministry of Labour uses method (*a*), the Labour Committee method (*b*). The various results may be exhibited as follows :

RELATIVE COST OF FOOD ON DIFFERENT HYPOTHESES.

	Quantities as in ..	*Valued at prices of* 1914	1918	1920
Method (*a*)	1914	.. 100	206	271
Method (*b*)	1918	.. 100	200	—
,, ,,	1920	.. 100	—	260
Actual Expenditure..	. ..	.. 100	190	259
Ministry of Labour ..	.. ..	.. 100	218	264

In the comparison of 1918 with 1914 there is wide variation between these measurements, while between 1920 and 1914 there is comparatively little. The mean of 260 and 271, the measurement which Professor Bowley recommends, is close to the Ministry of Labour estimate, and only slightly above the actual difference in food cost for the standard family.

By Professor Bowley's method the variations in 80 to 85 per cent. of the total expenditure on food are taken into account. The weights used by the Ministry of Labour account for 75 per cent. of the food expenditure as reported in the 1904 study.[2] The relationship of these weights to the proportionate expenditure for the different food groups is shown at the bottom of Table VI.

The weights would seem to attach too great importance to the expenditure for bread, flour, etc., and to the expenditure for fats. There has been a steady increase in the proportionate expenditure

[1] Bowley, A. L., "Measurement of Changes in the Cost of Living." *Journal of the Royal Statistical Society*, May, 1919.

[2] *Labour Gazette*, February, 1921.

for sugar and other sweet foods, which makes the weight for this group of too little relative importance. Estimate of change in expenditure for fruits and for other vegetables than potatoes was omitted purposely by the Ministry of Labour in connection with the preparation of its index number, because of the irregularity which would be caused by their seasonal fluctuations. This gives Group C a low weight in comparison with its proportionate value in the total expenditure.

With these various changes in details in food consumption the nutritive value of the dietary has remained fairly constant, as will be seen in Table VII, where the approximate quantities per man per day are given for energy, protein, calcium, phosphorus and iron in comparison with what are considered by scientists to be satisfactory standards for measuring an adequate nutritive requirement. The various essential vitamines were probably present in sufficient degree in the types of food used, but as yet it is impossible to measure accurately either the quantity present in the dietary or the bodily requirement.

TABLE VII

NUTRITIVE VALUE PER UNIT PER DAY FOR AVERAGE FOOD CONSUMPTION AT DIFFERENT PERIODS

	Calories.	Protein.	Calcium.	Phosphor.	Iron.
		gms.	gms.	gms.	mg.
1904 Budgets ...	3175	92·1	0·54	1·16	13·9
1914 Adjustment	3108	89·2	0·51	1·12	13·1
1918 Budgets ...	3010	88·1	0·53	1·13	13·2
1920 Budgets[1]:					
Group I ...	2464	66·7	0·43	0·90	11·3
Group II ...	3020	85·8	0·58	1·12	13·2
Group III...	3495	104·5	0·70	1·34	16·4
Group IV...	4285	122·0	1·00	1·79	20·1
All Budgets	3215	91·6	0·64	1·19	14·1
Nutritive requirement ...	3000 to 3500	75 to 100	0·68	1·32	15·0

The slight differences in the number of calories provided at the four periods can be easily explained by differences in the degree of physical activity in the occupational groups represented. In other respects there has been a slight improvement in the later records, especially with reference to calcium, probably due to the increase in milk consumption.

A much wider variation is shown within the four groups of the

[1] The 1920 Budgets are grouped according to the weekly food cost per unit. Group I includes those under 10s., Group II 10s. to 15s., Group III 15s. to 20s., Group IV 20s. and more.

1920 study. In Group I, with its food cost of less than 10s. per week per unit, the dietary is inadequate in every respect, although this is the group with the largest number of children and especially needing a generous food allowance. Through careful management, however, this group succeeded in securing a return of 1,970 calories for a shilling, while Group II secured only 1,725, Group III 1,450, and Group IV 1,310. The average calories per shilling for the entire group was 1,500 in 1920, while about 2,525 could have been secured in 1914.

In Group II there is probably a sufficient food supply unless there is a large amount of physical activity required for the adults. In the other two groups the nutritive value of the dietary is high in every respect.

SUMMARY AND CONCLUSIONS

Opportunity for a comparison of standards of food consumption as influenced by various conditions, exists in the reports of investigations of living costs in Great Britain between 1904 and 1920.

The food expenditure in the 1920 investigation by a group of labour organizations has been studied in detail.

The food cost per unit increased as the income increased, but was affected in the opposite way by an increase in the size of family expressed in units, so that careful adjustment is necessary if accurate comparison is to be made between investigations with differing average size of family or with differences of total income not explained by those of living costs.

In 1920 the quantity of individual foods per family or per unit varied considerably, the increase or decrease being fairly regular in four groups arranged according to cost per unit per week for food. (Tables I, II, III.) Except with the group having the smallest expenditure, there was about the same range of variety in the use of the common foods, variation in total cost per unit being due to differences in quantity and price rather than kind of food.

The proportionate expenditure for meat, fish, and eggs increased considerably as the food cost per unit increased, and there was a much more rapid decrease in the proportionate expenditure for bread, flour, etc. There was but little change in the proportion used for other types of food. (Table VI.)

The nutritive value of the dietary increased as the food cost per unit increased, but less rapidly, because the expenditure at the lower levels gave a higher nutritive return than did the higher expenditures. (Table VII.) Except for the group with the lowest food cost, the nutritive value was sufficient.

A different type of variation was found in the comparisons of food expenditures as reported in 1904, 1914, 1918, and 1920. (Table IV.) The ratio to the quantity used in 1914 varies considerably, the quantity in 1918 being apparently much affected by the compulsory and voluntary adjustments made during the war. With the excep-

tion of a few foods where the use seems to have increased or decreased permanently, the quantities used in 1920 are much closer to those used in 1904 and 1914. (Table V.)

The influence of price in causing readjustment in quantity seems to vary in accordance with the strength of common desire for particular foods, as is seen by the continued use of bacon or eggs even at a high price, and with the ease with which a satisfactory substitute may be secured, as is illustrated by the use of margarine in place of butter, and the use of syrup for sugar.

Except in certain respects for 1918, the proportionate expenditure for different foods has remained nearly the same and in fairly close agreement with the proportional distribution of weights among these groups in the index number of the Ministry of Labour. (Table VI.) Any discrepancy between these weights and present standards seems to have the effect of over-estimating the increase in the cost of food rather than under-estimating it. This discrepancy will doubtless become less if food standards continue to revert towards those upon which the weights were based, as seems likely from the 1920 figures.

There was no evidence of any change in food standard which came from higher wage standards. However, the food expenditure in 1920 was 49·7 per cent. of the total income in comparison with 61 per cent. in 1904, so that there was evidently a larger amount available for other expenses which was not being used for a more expensive dietary. Because of the small number of families in the 1920 investigation and the difficulty of making comparisons with earlier investigations, except with reference to food quantity and expenditure, definite conclusions along this line are impossible.

The average nutritive value of the dietary has remained remarkably constant in spite of the many changes. There was no indication of inadequacy except in a small proportion of families in the 1920 study, where only a small expenditure per unit for food could be afforded. Doubtless a similar inadequacy would have been found in a similar subdivision of the records in the other investigations.

As the basis for accurate knowledge concerning changes in food standards, it is desirable to have periodic investigations similar to the three here discussed and compared. Among small incomes the food expenditure absorbs a far larger proportion than it does in any other budget division, and the health of the family is especially dependent upon the adequacy of the food supply Therefore, exact information concerning present, rather than simply past, standards of food consumption would seem a matter of national importance and one which should receive much fuller recognition.

Note by Prof. A. L. Bowley.—The correlation between food expenditure per unit and number of units in the family has now been calculated for the 1918 budgets.

Average food expenditure per unit, 10·865 shillings.
Average number of units in family, 4·55.
Coefficient of co-relation $-\cdot 468 \pm \cdot 026$.
This is very near the coefficient in the 1920 collection, $-\cdot 518 \pm \cdot 05$.
The regression is not rectilinear; expenditure per unit decreased as the number of units increased up to about 6 units and then remained nearly stationary. A parabola fits the observations much better than a straight line.

If y (shillings) is the average expenditure when the family contains x units, the equations of the straight line and parabola of regression are:

$$y = 15\cdot 8 - 1\cdot 06x.$$
$$y = 20\cdot 0 - 3\cdot 07x + \cdot 208x^2$$

1918 Budgets.

Number of units in family.	*Number of families.*	*Average expenditure per unit (shillings).* *Actual.*	*Formulae:* *Line.*	*Parabola.*
1·5 to 2·0	37	15·4	13·5	15·3
2·0 to 2·5	4	14·2	13·0	14·1
2·5 to 3·0	96	13·4	12·6	13·1
3·0 to 3·5	109	12·4	12·1	12·2
3·5 to 4·0	161	10·8	11·6	11·4
4·0 to 4·5	91	11·5	11·1	10·7
4·5 to 5·0	136	9·9	10·6	10·1
5·0 to 5·5	86	9·4	10·1	9·6
5·5 to 6·0	83	9·3	9·7	9·2
6·0 to 6·5	53	9·6	9·2	8·9
6·5 to 7·0	39	9·8	8·7	8·8
7·0 to 7·5	16	9·1	8·2	8·7
7·5 to 8·0	23	8·2	7·7	8·7
8·0 to 8·5	11	9·2	7·2	8·8
8·5 to 9·0	8	8·0	6·7	9·1
Over 9·0	6	8·7	—	—
	959			

Recent Contributions to Economic Theory

By E. M. Burns,
Assistant in the Economic Theory Department.

In reality the title of this article gives little indication of the nature or content of the medley of books under review. It is true that all purport to be of interest to the student of economic theory, but many fail to achieve their goal.

Perhaps the most stimulating volume is that by Mr. J. A. Bowie,[1] who attempts to solve the problem of profits. He holds that the existence of profit is a necessary condition for enterprise and initiative; and examines the claim of profit-sharing as a possible solution of present industrial warfare. He defines profit-sharing as "an agreement between employers and employed by which the majority of the employees receive, in addition to their wages, a predetermined share of the profits realized by the business in which they are engaged" (p. 50) and discusses the basis and conditions of several existing systems. He comes to the conclusion that profit-sharing neither "sweetens social relations" nor promotes efficiency of production, and attributes this lack of success to the smallness of the bonus, the lapse of time between the receipt of the reward and the putting forth of extra effort, the irritation caused by a decrease in the bonus, and the fact that profit-sharing, being a movement on the part of employers to raise wages, is regarded with suspicion by the workers.

In its place he advocates co-partnership (he frequently uses the unpleasant word *co-partnery*), that is to say, profit-sharing plus the ownership of capital and the control that ownership implies, and he compares the two types of co-partnership as practised at Messrs. Lever Bros. at Port Sunlight, and Messrs. Taylors at Batley, greatly to the disadvantage of the former scheme. Mr. Bowie suggests that the keen animosity between wage-earners and profit-takers should be eliminated by making wage-earners participators in profits, not through an act of grace on the part of employers, but by constituting them more or less independent shareholders. To this end he argues that the shares should not be gratuitously distributed, but that the workers should be given specially favourable conditions to buy shares in the business in which they are employed. To give them freely would lead to their being undervalued, and owned by those who are not interested, while unless specially favourable terms were given it is unlikely that the desire to invest would be stimulated, and the

[1] *Sharing Profits with Employees.* James A. Bowie. (Pitmans, 1922.)

dislike of having both savings and employment dependent on the success of one firm overcome. Finally, with this shareholding some measure of real control must be given.

Mr. Bowie's scheme opens the way for much discussion, and it is a pity that he stops short at the elaboration of his scheme and does not deal with the working out of details and resulting complications. There is much repetition in the book, which might be eliminated to make room for a discussion of such problems as, for example, how employers as a whole are to be persuaded to make the necessary sacrifices involved, or what happens in times of heavy unemployment. Moreover, it is obvious that the success of such a scheme depends in large measure upon the confidence of the workers in the efficiency of the management, and Mr. Bowie does not explain how this can be assured, particularly in the event of the possible failure of various firms directly attributable to bad management.

Questions affecting labour are also discussed in two articles which form part of a symposium issued by the *Revue de Métaphysique et de Morale*.[1] M. Lazard discusses Professor Clark's *Marginal Productivity Theory of Wages*, which he says (rather unfairly) typifies English thought on wages. He points out the obvious weaknesses of a theory which holds that "la productivité marginale règle à la fois la rémunération et l'affectation des travailleurs" (p. 407), and after a discussion of the "productivity theory," concludes that "la productivité détermine un maximum au delà duquel il serait pratiquement impossible de porter, et surtout de maintenir, le taux des salaires; ella marque, en somme, une limite plutôt qu'une norme" (p. 442).

M. Dugé de Bernonville gives a brief résumé of the efforts made by various countries to investigate industrial fatigue, promote scientific management, and obtain the most economic distribution of the new recruits to industry. It is interesting to note that Great Britain, although behind the United States, is ahead of many European countries (including Germany) in this respect.

The symposium of which these articles form part was published with the object of obtaining a synthetic view of the progress of economic science at the present time, and of the problems awaiting solution. It contains articles by M. L. March on Statistical Method, two by M. J. Moret and Mr. R. Hawtrey on Exchange, and a somewhat disappointing article by M. Gide on Consumption. The rhythm of economic production is dealt with by M. A. Aftaleon, who stresses the importance of the time factor in production, but who fails to emphasize the consequences of a system of production for an anticipated demand, and the importance of the psychological attitude of the entrepreneur; M. A. Barone contributes an interesting article on Kartels and Trusts, while the factors of production are discussed by MM. Augé-Laribé and Rist. Of these, the article

[1] *Problèmes Actuels de l'Economique.* (Libraire Armand Colin, Paris, 1921.)

by M. Rist on Saving is by far the most stimulating, and although open to criticism on various points is perhaps the most original in the symposium.

Criticism of English economists by foreign writers are always welcome, for in the majority of cases it is possible to see one's traditional theories looked at from a new point of view and judged from a different angle. It must be confessed, however, that neither Mr. Boucke[1] nor Mr. Lewinski[2] are helpful in this respect. Mr. Boucke states that his aim is to find a perspective for a large variety of (presumably economic) facts, and to show with some degree of definiteness how far economics, even to-day, rests on concepts worked out during the eighteenth century. Unfortunately, the book has been copiously sprinkled with indiscriminate polysyllabic "isms," and the following excerpt is typical of the difficulty experienced in attempting to thread one's way through Mr. Boucke's verbiage: "For this reason, perhaps, empiricism contributed most to an inductive logic, to the psychology of sensationalism, but particularly to an analysis of ethics favouring at first individualistic hedonism, and then utilitarianism, i.e., the concept of happiness for the greatest number. In epistemology this led to phenomenalism, with Hume as its chief exponent, and to materialism on French soil. In political philosophy it represented constitutionalism as against the advocacy of absolutism by the rationalists, etc." (p. 30.) English economists are discussed under four heads, Naturalism, Utilitarianism, Historism, and Marginism (!). And an attempt is made to discover the ethical and philosophic background in which their ideas evolved, and to discuss the theories of each group in relation to that background. It is, however, not at all clear which writers appear under each group, nor is it evident why one school superseded another in spite of the lengthy explanations offered by the author.

Mr. Lewinski's book, on the other hand, is eminently straightforward. He aims at finding "among the doctrines advanced more than one hundred years ago, such theories as still to-day can help us to understand economic phenomena." The first chapter will no doubt prove the most interesting to English students, as from then onwards Mr. Lewinski deals with matters which have already been made available in book form in this country, and have been better dealt with. The author discusses the theories of the Physiocrats, of Adam Smith, and Ricardo, and while many of the excerpts he quotes are interesting, his explanations are not particularly illuminating, nor is his choice of words sufficiently exact for one who wishes to criticize the theories of others. He is very pessimistic about the state of economic theory after Ricardo, for whom he seems to have a very inordinate admiration, and declares that "taken as a whole

[1] *The Development of Economics*, 1750-1900. O. F. Boucke. (Macmillans, New York, 1921.)

[2] *The Founders of Political Economy*. Jan St. Lewinski. (P. S. King and Son, 1922.)

the theoretical advances of political economy since Ricardo's *Principles* are comparatively very irrelevant. The last decades especially have been very barren." It is to be wondered if M. Lewinski has heard of Jevons' contributions to the theory of value, or those of Professor Cannan to Distribution, or even of Professor Cassel.

Professor L. V. Birck's *Theory of Marginal Value*[1] is a treatise of considerable length and detail, and seems to have been written largely under the influence of the Austrian school of thought on this subject. The first of the five books is devoted to explaining "how the demand of the individual expresses itself, and the rules governing the conception of this demand," and also "how a person distributes a given income" (p. 69). Such subjects as the Disutility of Labour, Wants, Utility, and Subjective Price are dealt with in great detail.

Upon the subject of money the treatment is not very happy. We are told that "money is the wonderful fairy by whose help the shaking hand of the old man can hold the bread which the prudent youth denied himself" (p. 55). One would have thought that wonder would have changed to disgust during the past few years, in which the fairy has been snatching all, or a good deal, of the bread from the shaking hand. Book II is an examination of the confluence of the demands of individuals, which determines market price, and treats of demand schedules, supply schedules, market conditions and value. It is marred by references to exchange value as "a sort of power inherent in one commodity which can only be exercised in connection with a similar power in another commodity, and which can only be estimated by the ratio between the quantities exchanged" (p. 103). This seems an unnecessary elaboration of an earlier accepted statement that value is a ratio.

The third book, on Relations of Subjective Prices, deals with the effect of the distribution of incomes on prices, in the course of which the real value of income is for no apparent reason referred to as "the moral value of the shilling" (pp. 116-7). Here the author deals clearly and well with the limitations of the conception of value, where conditions of great inequality of incomes exist, quoting as an example the fact that because the Hope Diamond and 50,000 bushels of wheat exchanged at the same money value, the statement that they are of equal value has but small usefulness, owing to the difference in the marginal value of the incomes of the buyers. A full treatment of consumption appears in this book, and includes a helpful examination of the factors which are of importance in the formation of the curve of demand for certain goods. The book closes with a lengthy chapter headed: "The Subjective Price of Labour," in which it is concluded that this price is "in contradistinction to our subjective price for the good, *not a price of demand, but a price of supply*" (p. 165)—a view which is hardly acceptable at the present time.

[1] *The Theory of Marginal Value.* L. V. Birck. (Routledge, 1922.)

The fourth book treats of the Normal Market, and consists mainly of a discussion of conditions of supply, and is accompanied throughout by a clear exposition of the effect of taxation under different conditions of supply, but again the treatment of the value of the precious metal is neither clear nor happy. It appears to have been written in 1917, and this probably accounts for the statement that the author "will maintain that this collapse . . . [of the gold value of paper money] is mostly apparent only" (p. 244). The last book, on Manipulated Prices, comprises chapters on customs duties, and prices, monopoly prices, connected prices and prices of technical components. The author supports the imposition of an export duty on raw materials "in order to further employment at home" (p. 253), and advocates a protective duty on newly invented machinery on the ground that "by keeping out competition which would have forced our manufacturer to scrap the first machine too early it would have made it possible for him to have worn it out, and enabled him to avoid acquiring the second machine, and buy the third when the first was worn out" (p. 342). (!)

Professor Birck states that capital claims interest for the reason "that the lender makes a sacrifice of waiting and has an economic position of power" (p. 341), and says that the simple theory that interest can be paid because the economic capital is productive, can be termed the "naïve" theory of productivity. This may explain why the claim is made, but certainly gives no clue as to how it is met.

The treatise is an expansion of the marginal theory involving nothing new, and is very variable in quality. It is regrettable that the author should have used so much unnecessary "algebraic armour." The book has no index.

The increasing interest in economic matters, which is an almost inevitable consequence of the delay in returning to "pre-war conditions," has no doubt accounted for the enormous increase in the output of textbooks on elementary economics. The chief characteristic of all these writers seems to be the desire to simplify and to render attractive, with the general result that the reader is given the impression that of all sciences Economics is the most abstruse and difficult to approach. An honourable exception must be made in the case of Mrs. Stocks' book,[1] which is certainly one of the best introductory books on Economic History which has appeared for some time. The book is stated to be written for use in continuation schools, but deserves a much wider public, for Mrs. Stocks has not merely stated facts and events, but has woven into them a considerable amount of theory. The story of England's industrial development is briefly and interestingly told, while the problems which were presented by each new development are plainly shown. To have covered in some 300 pages such a full history, to have dealt

[1] *The Industrial State.* M. D. Stocks. (Collins' Clear Type Press.)

at the same time with such points as the mercantilist theory, the early English economists, modern tendencies of State action and trade union activity, and to have clearly brought out the action and interaction of all changes, is no mean achievement. It is, however, surprising to find no mention of the name of Jeremy Bentham. In a book with aims less wide this would not be surprising, but when Mrs. Stocks discusses Chadwick and Place, and the change of attitude on the part of Parliament towards State activity, it is unfortunate that no mention is made of the man who inspired the reform of English administration and did so much towards founding the system of State activity of which Mrs. Stocks is so proud.

Of the four introductions to Economic Theory that of Mr. Milnes[1] is the most easily readable and generally useful. Presumably the book is written for the "man in the street," for the treatment is not scientific enough to make it a suitable book for university students. The inevitable description of Division of Labour is enlivened by culinary advice on the making of tea, but after that, the treatment becomes more stereotyped. The international aspects of Division of Labour are not adequately stressed, while the "Law of Diminishing Returns" is expressed in such a way as not to make it clear that both manufactures and agriculture are at various times subject either to increasing or decreasing returns. Mr. Milnes appears to be under a misapprehension as to the nature of marginal utility, when in discussing value he writes, "But at last he (the purchaser) will have as much of the thing as he cares to pay for at any price at which any producer will make it for him. And *then* (italics ours) he is said to have reached the marginal utility to him of that thing" (p. 108). The weakest chapter in the book is undoubtedly that on Earnings, where he maintains the theory that the "central point above and below which wages will tend to swing backwards and forwards will indicate and be equal to the standard of comfort among the unskilled labourers for the time being" (p. 146). Also in discussing the effects of restriction of output and increased efficiency he omits all considerations of the elasticity of demand for the product in question, tacitly assuming an elastic demand.

Mr. Lee's little book[2] on *Plain Economics* is written for "intelligent men and women," and purports to be a frank individual examination of the phenomena of the essential issues," in order to "rid them of complexities." Its value may be gauged from the fact that in the space of a small volume of 110 pages Mr. Lee "individually examines" such diverse subjects as the whole of economic theory, population, currency, credit and money, co-operation, transport, out-door relief, representative government, etc. He is constantly referring to a new age where economic prices and values will be substituted by fair prices and just values, but on examination these

[1] *Economics for To-day.* Alfred Milnes. (Dent and Sons. 1920.)
[2] *Plain Economics.* John Lee. (Pitmans. 1921.)

do not prove to be much different from those to which we are accustomed at the present time.

It is difficult to imagine for what class of reader Dr. L. Alston's book[1] is intended, for its exposition is childish in the extreme, and yet deals with subjects which could not possibly interest any child. In an attempt to simplify, Dr. Alston has exaggerated to an extent which is irritating. The book is full of very ordinary jokes and anecdotes, and is plentifully supplied with pseudo-poetic quotations which are supposed to help in his exposition but of which the only really clever one is that at the head of the chapter on Capital and Interest: "They also serve who only stand and wait" (Milton). The aim of the book is to show "how the parts of the business world . . . fit in together," and how we can all "get on" by fitting in well with other people, but it is to be feared that the style of the book will prevent many readers from discovering that much of Dr. Alston's theory is quite sound.

After the somewhat unscientific vagaries of Mr. Milnes, the pious aspirations of Mr. Lee, and the heavy playfulness of Dr. Alston, Miss Buer's[2] directness comes as a relief. Her book is "primarily intended for the upper forms of secondary schools," and for that purpose it is certainly an admirable introduction to economic theory. She is obviously a disciple of Professor Cannan and her book is largely an explanatory treatise of much of the subject matter of *Wealth*, together with an elementary survey of banking organization and currency questions. Miss Buer discusses most current economic questions with impartiality and in a scientific manner, but it is a pity that in some cases her English was not more carefully revised, and that the book has not been more attractively printed.

Nevertheless to the student who thinks of the subjects still to be investigated, and of the many obscure points which might profitably be the subject of helpful research, it is a little disheartening to see this ever increasing flood of elementary textbooks most of which differ little from each other save in omissions or mistakes.

[1] *How it all fits together.* Leonard Alston. (Dent and Sons. 1920.)
[2] *Economics for Beginners.* M. C. Buer. (Routledge. 1921.)

School Notes

Staff

Mr. R. B. Forrester, M.A. (Edin.), M.Com. (Manchester), has been appointed to the General Staff of the School as Lecturer in Commerce.

Students

The total number of regular or full-time students enrolled for the session 1921-22 was 885, of whom 326 were working for the B.Sc. (Econ.), 263 for the B.Com., and 62 were Research Students working for higher degrees, such as the D.Sc., Ph.D., and M.Sc. There were, in addition, 1,540 occasional or part-time students, making the total of all students who attended the School last session 2,425. There were 386 foreign and colonial students, representing some 30 nationalities.

The degree of Ph.D. (Economics) was conferred in July on S. M. Dhume and S. Ray; and the degree of M.Sc. (Economics) was conferred on Persia C. Campbell, W. G. H. Cook, H. Finer and Mithan A. Tata.

Seven students of the School obtained the Academic Diploma in Sociology and Social Administration in July; 5 students the Academic Diploma in Geography, and 7 students the Diploma for Journalism.

Studentships

School of Economics Research Studentships have been awarded to Mr. M. H. Dobb of Pembroke College and to Mr. H. D. Dickinson of Emmanuel College, Cambridge. The Hutchinson Research Studentship has been awarded to Mr. E. L. Hargreaves of Corpus Christi College, Oxford.

Public Lectures

The following lectures, which are open to the public without fee, have been arranged:

"Le Rôle de l'Angleterre dans la Formation de la Démocratie Francaise Contemporaine," a lecture by Professor Vaucher, Professor of Modern French History and Institutions, in the University of London, on Thursday, October 5th, at 5 p.m. The Chair will be taken by His Excellency the French Ambassador.

"The Basis of Russia's Credit Abroad," a lecture by Baron Meyendorff, late Associate Professor of St. Petersburg University, on Thursday, October 12th, at 6 p.m.

"THE POSITION OF SWITZERLAND IN INTERNATIONAL LAW," a lecture by Professor Eugene Borel, of Geneva University (President of the Anglo-German Mixed Arbital Tribunal), on MONDAY, NOVEMBER 6TH, at 5 p.m. (Given under the auspices of the University of London.)

"ECONOMIC AND ADMINISTRATIVE PROBLEMS OF THE BRITISH TROPICS," a course of four lectures by Sir Frederick Lugard, P.C., G.C.M.G., at 6 p.m. on THURSDAYS, NOVEMBER 23RD and 30TH, DECEMBER 7TH and 14TH. The Chair will be taken by Colonel L. C. M. S. Amery, M.P. (Given under the auspices of the University of London.)

"POLITICAL DEVELOPMENTS IN INDIA, 1919-1922," a course of three lectures by Sir William Henry Vincent, K.C.S.I. (Member of the Executive Council of the Governor-General of India, 1917), in March, 1923, on dates to be announced later. (Given under the auspices of the University of London.)

Books Received

VISCOUNT BRYCE: *International Relations.* Macmillan and Co.
H. D. HENDERSON: *The Cotton Control Board.* Carnegie Endowment: Oxford University Press.
H. JENKINSON: *A Manual of Archive Administration.* Carnegie Endowment: Oxford University Press.
R. M. GOSHI: *Indian Export Trade.*
B. MALINOWSKI: *Argonauts of the Western Pacific.* Routledge.
F. MAURETTE: *Les Grands Marchés des Matières Premières.* Armand Colin.
J. ORR: *A Short History of British Agriculture.* Humphrey Milford.
J. G. SMITH: *Organized Produce Markets.* Longmans.
G. SALLE: *Le Droit Ouvrier.* Armand Colin.
CISAR AND POKORNY: *The Czecho-Slovak Republic.* Fisher Unwin.
L. MISES: *Die Gemeinwirtschaft.* Gustav Fischer.
J. A. HOBSON: *Richard Cobden: the International Man.* Fisher Unwin.
B. G. DE MONTGOMERY: *British and Continental Labour Policy.* Routledge.
F. W. FOERSTER: *Mes Combats à l'assaut du Militarisme Allemande.* Librarie Istra.
J. C. STAMP: *Wealth and Taxable Capacity.* P. S. King.
A. M. CARR-SAUNDERS: *The Population Problem.* Oxford University Press.

Periodicals Received

Metron.
Bollettino della Emigrazione.
Giornale degli Economisti.
Zt. für Volkswirtschaft und Sozialpolitik.
La Riforma Sociale.
Bombay Co-operative Quarterly.
Irish Economist.
Sociological Review.

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